APPENDIX I

SECTOR: Security and Law Enforcement

In the last quarter, Iraqi Security Forces (ISF) continued to make progress. They shoulder more responsibility for Iraq's security, and have stood firm in the face of numerous attacks in recent months. Iraqi Security Forces are leading more operations, and are beginning to operate more independently, while continuing to train and equip new military and police forces. The ITG expects to complete building their planned force structure in 2006.

Improvements in ISF capabilities can be seen in Operation Lightning that began in late May and involved about 40,000 ISF personnel with Coalition Forces in Baghdad. With ISF performing a key role, this operation had a significant effect on enemy activity. In Operation Lightening, the ISF displayed its ability to conduct independent coordinated Ministry of Defence (MoD)/Ministry of Interior (MoI) operations for the first time without assistance from Multi-National Force, Iraq (MNF-I). Here, MoD and MoI were working together better than ever before. From coordinated ground operations to combined press conferences, we see definite improvements. During Operation Lightening, Iraqi citizens regularly provided information to the ISF. In one area of Baghdad alone, tips provided to the ISF resulted in the detention of 108 suspected insurgents. This was the largest combined operation with ISF to date, and the ISF proved effective in executing their assigned missions.

Increasingly, Iraq is training its own forces. The number of Iraqi instructors at the Police Academies in Baghdad and Jordan has increased significantly, with over 180 Iraqi instructors integrated into the Academies in recent months. During this last quarter, the MoI trained, equipped, and deployed the 3rd and 4th Public Order Brigades, and raised and equipped the 4th Police Commando Brigade.

The Iraqi Army now has three Iraqi Training Battalions fully staffed and led with Iraqi instructors and leadership. The Iraqi Army is also developing Iraqi-led mobile training teams for the conduct of basic training to help generate the 7th Division and for the conduct of non-commissioned officer training. The MoD has started the process to raise and equip the 7th Army Division, which will be based in Al Anbar Province by early 2006. The first Brigade of the Army's Mechanized Division has completed fielding its first mechanized battalion and first tank battalion as well. Both of these units are now conducting security operations in conjunction with Coalition forces. As of June, on any given day, the ISF was conducting an average of 5 independent operations and 30 operations in cooperation with MNF-I. This is a major improvement over six months ago.

While these successes show promise for the ISF, events in the last quarter highlighted where continuing challenges remain, specifically in the area of ISF logistics and command and control, and in ministry capacity to sustain forces. Initiatives are now under way to address these shortcomings. The MoD, with the help of the Multi National Security Transition Command-Iraq (MNSTC-I), has started to generate an organic logistical capability at the battalion level with a focus on transportation, medical, maintenance, and supply elements. The third of nine planned Motorized Transport Regiments (battalions) has nearly completed its training. When the transportation regiments are all fielded, there will be one per Iraqi Army division, adding considerable mobility and sustainment capability to each division. The first two battalions are already conducting operations on a daily basis, relieving some pressure on Coalition forces. The

MoD has also started to take complete control of its base support units, also relieving pressure on Coalition logistical requirements. Iraqis are now meeting almost all requirements at three bases with more scheduled for transition later this year.

Iraq's military and police leadership, with the assistance of Multi-National Force-Iraq (MNF-I), has taken steps to improve coordination and planning for Iraqi-led operations. Several new national-level military and police planning groups have been established, and the Iraqi Army has established an operational headquarters co-located with Multi-National Corps – Iraq (MNC-I). All of these measures are improving Iraqi coordination and planning capabilities.

As part of the FY 2005 Supplemental signed by the President in May, \$5.391 billion is earmarked for the Iraq Security Forces Fund. This Fund will provide the resources for necessary equipment, supplies, services, training, and facility repair and construction for Iraqi Security Forces. This funding will be used to augment current frontline security and police forces, develop support capabilities, and enhance institutional training capabilities.

With continued assistance, the Iraqi Army will increasingly be able to conduct independent counterinsurgency operations, and the Iraqi police will gain the capability to operate in a counterinsurgency environment. Building this Iraqi security capability is an essential element in the overall strategy of transition of greater responsibility for security tasks to Iraqi forces.

Ministry of Interior Forces Summary

Police training capacity continues to increase – this quarter 10,624 recruits complete the eightweek Academy program, and 276 recruits graduated from the three-week Transition Integration Program (TIP). As of June 4, 35,324 recruits have been trained in Academy programs, and 35,802 have been trained under the TIP. Sixty members of the Iraqi Police completed the train-the-trainer course at the Baghdad Police College. The MoI has shifted emphasis to send existing police officers with no prior training to the eight-week basic class, while new police candidates will continue to be recruited in areas where police forces are being reconstituted.

Sustainment and Integration training programs were introduced to the curriculum during the quarter. Sustainment training consists of three days of intense instruction focused on weapons qualification and policing skills for trained police already serving on the force. The two-week Integration training program augments the eight-week Academy program and emphasizes combat survival and police skills while building teamwork and unit cohesiveness. The program includes station defense, survival skills, and additional weapons training.

Special Police Forces continue to develop their capabilities. The 3rd Public Order Brigade and 4th Public Order Brigade were trained, equipped and deployed during the period of this report, and the 4th Police Commando Brigade was trained and equipped as well. Special Police units continue to successfully conduct counter-insurgency operations in Baghdad, Fallujah, Samarra, and Mosul. In addition, two battalions of a new mechanized police brigade, consisting of wheeled and armored vehicles, are currently conducting operations in Baghdad helping to secure the route to Baghdad International Airport. The Emergency Response Unit (ERU-a highly trained hostage rescue unit) now has over 200 operators, and over the last quarter, has conducted successful operations in Baghdad, Fallujah, and Mosul. Finally, the Iraq Special Border Force continues to conduct operations in Al Anbar Province.

The MoI's Qualifying Committee (QC) continues its data collection efforts, which support the separation of unqualified Iraqi Police. To date, the QC has collected 113,823 police profiles, and is expected to complete initial collection in 13 of the 18 provinces soon. In addition, production of a new identification card and collection of biometric data from all MoI employees is under way. Iraqi Police Service (IPS) Identification Card began in early March, and over 8,500 cards have been produced to date. Profiles collected by the QC will be linked to human resources and pay, increasing efficiency, adding credibility to the employee vetting process, and facilitating better financial accountability. Efforts to identify officers for separation continue. Initial recommendations for employee separation will be based upon those who did not provide biometric data, and those who are medically unqualified. Additional police officer evaluations will focus more keenly on whether the officers meet established standards of literacy, training, physical fitness, and job performance. Planning for collection efforts in Anbar and Ninawa Provinces is proceeding. Data collection teams started deploying into these provinces in July, and collections are underway at MoI headquarters in Baghdad.

Coalition Special Police Transition Teams (SPTTs) completed training in Kuwait and Taji, Iraq in April. Twenty-three teams then deployed to assist their counterpart Iraqi Special Police Units. The teams' focus is to mentor and train the Iraqi units while providing access to Coalition capabilities and facilitating planning and coordination between Iraqi and Coalition units at the operational level. Two additional SPTTs deployed in mid-May with another two teams deploying in mid-June. To date the SPTTs have setup working sites at their respective bases and established positive working relationships with both the local Coalition unit and their counterpart Iraqi Special Police Unit. Over 200 independent and coordinated operations are conducted each month. Joint operations with Coalition forces were conducted in June during Operation Al Barkh (Lightning) in Multi-National Division, Baghdad (MND-B) and Operation Veteran's Forward in Multi-National Division, North West (MND-NW), as well as in Fallujah, Ramadi, Samarra, and Salman Pak.

In the next quarter, counterinsurgency operations will continue at a high intensity. For the Special Police, there will be closer ties for planning and coordination of MoI operations with both the MoD and with Coalition Forces. Special Police units will lead the efforts in more of these operations with Coalition forces providing necessary backup. At the unit level, focus will be on leadership development for the Non-Commissioned Officer (NCO) ranks, logistics system development and implementation and individual policeman training proficiency.

Ministry of Defence Forces Summary

Since the last report the Iraqi Regular Army, Intervention Forces and the Iraq National Guard (ING) have merged into the Iraqi Armed Forces (IAF) and partnered with Coalition units. Through this ongoing transition initiative, all divisions will continue to evolve in capability as relationships between Iraqi and Coalition forces are strengthened through partnering. Division structure will also become standardized throughout the IAF thus helping to bring all units to the same level of capability. The IAF continues to successfully conduct aggressive counterinsurgency operations with and in conjunction with Coalition forces. The ability to conduct independent operations at lower echelons has been steadily improved.

The MoD continues to generate additional military forces. The 7th Division is projected to be trained by the early part of 2006. The first brigade of the Mechanized Division now has its first mechanized battalion and first tank battalion. The remaining mechanized battalion in the first

brigade will become fully operational in July. The Mechanized Division's second mechanized brigade will begin to form in July.

The 1st Engineer Training Battalion formed in Taji in February. Eighty-five officers and soldiers attended two months of engineer training sponsored by Germany in the United Arab Emirates (UAE) The Bomb Disposal Training School is now fully operational, with three 65-soldier units currently in training. The school is currently scheduled to train 10 companies over a one-year period.

Two Iraqi Motor Transport Regiments (MTRs) are conducting logistical support missions and are making an impact on a daily basis as they move personnel and materiel in support of the Corps Support Command. The third MTR will have initial operational capability by mid-July and will subsequently commence multi-echelon combat service support training. By December, MNSTC-I anticipates that the Iraqi Army will have four operational MTRs that will be fully manned and equipped.

Iraqi and Coalition planners have received approval to generate four Strategic Infrastructure Battalions, whose mission will be to protect Iraq's critical linear infrastructure, including the oil pipelines and associated production facilities, and electrical transmission lines and nodes. At present, MNC-I and the ITG are finalizing plans to execute the training and equipping of these battalions.

Phase one of the Defense Private Network (DPN) network is complete, and provides cellular serve to 13 IAFDPN. Phase two will expand this service to four additional bases. The expansion will provide voice service to all Army divisions, all Air Force squadrons, the Army, Navy and Air Force headquarters, and the Ministry of Defence. The system can be a key building block for the Iraqi Defense Network (IDN), which will provide data capability. These initiatives are expected to provide a robust strategic network, with voice and data capability, as well as much-needed interoperability with Coalition forces.

As manning and equipping of the Iraqi Army continues to mature, so does their logistical sustainment capability. Training for supervisors in Combat Support and Combat Service Support units has started at Taji. The Iraqi Service and Supply Institute is training officers and NCOs from all ten Iraqi Army Divisions in the specialty skills related to the transportation, ordinance, and quartermaster. In addition, this quarter, two officer basic schools graduated and inducted into the Iraqi Army 97 cadet graduates from the Zakho Military Academy and 107 cadet graduates from the Qualachulon Military Academy.

The primary leadership development for NCOs in the Iraqi Army has begun at three locations. Referred to as the Squad Leader Course this school teaches basic Sergeant and Leadership skills to new and existing Iraqi Sergeants. Basic training requirements for the growing Iraqi military require expansion of the Iraqi Training Battalion into two geographic locations enabling Iraqi forces to expand properly, and this growth will continue in the months ahead.

A significant element in the Coalition transition effort has been the turn over of Iraqi bases to Iraqi control. Umm Qasr was the first Base Support Unit (BSU) transitioned to the Ministry of Defence on March 17, followed by An Numaniyah on May 5 and Kirkush on June 1. The Coalition continues to monitor the performance of life support assumed by the Iraqis, and will continue to transition BSUs at a sustainable pace throughout the next quarter.

The Iraqi Navy and the Iraqi Marine Regiment continue to conduct offshore oil platform security operations, in coordination with Coalition maritime forces. All five patrol boats have completed challenging operational assessments and have been validated for operations. Additional marine forces currently in training will bring the Regiment to over 100% strength of 351 by July.

LAW ENFORCEMENT

Police Training and Technical Assistance Project Code: 10000

| | | FY | 2005 b | y Quar | ter | | | |
|-------------------|---------|-----------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | 1,040 | 849 | -74 | - | 1 | 1,815 | 1,367 | 573 |
| Change from April | - | - | - | -7 | 1 | -7- | +269 | +456 |
| July 2005 | 1,040 | 849 | -74 | -7 | 1 | 1,806 | 1,636 | 1,029 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: Department of Defense, Department of State, with some funds transferred to Department of Justice.

Changes from the April Report: This report notifies Congress of the Administration's intent to reallocate \$6.9 million to Judicial Security and Facilities (P/C 09000) for Central Criminal Courts of Iraq and OPDAT

- Graduated 1,218 Public Order Battalions recruits from An Numaniyah.
- Graduated 120 Emergency Response Unit operators from the advanced training course.
- Opened a temporary Iraqi Highway Patrol (IHP) Academy at Camp Taji. Two classes have been conducted, graduating 443 students.
- Started construction of the standard 250-person police station in Fallujah. (\$1 million)
- Began construction on the new IHP Headquarters in Baghdad. (\$2.3 million)
- Began construction on six IHP stations; completed 81 police stations. (\$112 million)
- Initiated construction on six of ten sites for Special Police Commando units. (\$24 million)
- Began construction on five Public Order Battalion locations. (\$5 million)
- Delivered 186 vehicles to IHP; delivered over 100,000 rounds of ammunition to IHP stations.

- Complete construction and equipping of Public Order Brigade Headquarters.
- Continue specialized training for IPS at facilities in Baghdad.
- Construct and equip IHP Headquarters in Baghdad.
- Award \$35 million in Iraqi Police station contracts in MND-N.
- Award contract in July for 1,800 SUVs, 1,830 trucks, and 100 sedans to equip the IPS.

Border Enforcement Project Code: 11000

| | | FY | 2005 b | y Quar | ter | | | |
|-------------------|---------|-----------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | 260 | 190 | -9 | - | - | 441 | 276 | 55 |
| Change from April | - | - | - | -4 | 1 | -4 | +69 | +96 |
| July 2005 | 260 | 190 | -9 | -4 | 1 | 437 | 345 | 151 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: Department of Defense.

Changes from the April Report: This report notifies Congress of the Administration's intent to decrease funding by \$4.3 for Border Enforcement. \$1.3 million will be reallocated to Judicial Security and Facilities (P/C 09000) for Central Criminal Courts of Iraq and OPDAT and \$3 million will be reallocated to Democracy-Building Activities (P/C 06000) for IRI/NDI continuing support to the elections and campaign skills.

- Shifted training from Jordan International Police Training Center (JIPTC) to regional academies; continued emphasis on Iraqis conducting classroom training.
- Expanded the Special Border Force presence on the Syrian border, increasing the number of occupied and operating forts.
- Completed 27 border forts; 190 border forts currently under construction. (\$10 million)
- Began construction on Joint Customs/River Police HQ. (\$4 million)
- Began construction on Basrah and Al Kut Department of Border Enforcement (DBE) Regional HQs. (\$5 million)
- Began construction on Suse Prison Fort. (\$8 million)
- Completed four Ports of Entry (POE); started construction on four more. (\$20 million)

- Expand and equip DBE forces along the northern Syrian border.
- Complete 194 border forts.
- Complete construction at Kirkush, Sulaymaniyah, Basrah and Al Kut DBE Academies.
- Renovate National DBE HQ, one regional HQ and four Brigade HQs.
- Complete all six POEs currently under construction.
- Expect to award contract in July for 200 trucks.

Facilities Protection Service (FPS)

Project Code: 12000

| | | FY | 2005 b | y Qua | rter | | | |
|-------------------|---------|-----------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April2005 | 53 | - | - | - | - | 53 | 29 | 11 |
| Change from April | - | - | - | - | - | - | +11 | +11 |
| July 2005 | 53 | ı | - | - | - | 53 | 40 | 22 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: Department of Defense.

Changes from the April Report: This report maintains the \$53 million allocation for the Facilities Protection Service (FPS).

- Increased the Basic Course to three weeks, from two weeks, with the capability to train between 250–300 guards at the Baghdad Police College.
- Graduated 20 FPS personnel from the First Line Supervisor's Course and 15 from the Train-The-Trainer Course at the Baghdad Police College.
- Began construction on the FPS Headquarters and Academy in Baghdad. (\$6.9 million)
- Awarded contract for purchase of 2,400 portable UHF radios. (\$3 million)
- Distributed 35 sedans and 20 medium SUVs; distributed 24,000 sets of uniforms.

- Expand training to 400 per month from 300 per month with completion of the new FPS training facility at the Baghdad Police College
- Expect to award contract in July for 65 SUVs and 65 sedans

NATIONAL SECURITY- IRAQI ARMED FORCES

Iraqi Armed Forces Facilities

Project Code: 20000

| | | FY | 2005 b | y Quar | ter | | | |
|-------------------|---------|-----------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | 602 | 89 | 40 | - | 1 | 731 | 646 | 480 |
| Change from April | - | - | - | - | 1 | - | +46 | +64 |
| July 2005 | 602 | 89 | 40 | - | 1 | 731 | 692 | 544 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: Department of Defense.

Changes from April Report: This report maintains the \$731 million allocation for Iraqi Armed Forces (IAF) Facilities.

Accomplishments since the April Report:

- Completed brigade (plus) installations at Kirkuk and Talil (\$213 million)
- Completed temporary facilities for Combat Service Support school at Taji (\$2 million)
- Completed basing for motor transport regiment at An Numaniyah (\$5 million)
- Completed renovation project at Zahko Military Academy (\$5 million)
- Complete five of 11 medical clinics at IAF installations (\$10 million)

Accomplishments anticipated in next quarter:

- Complete C-130 and VIP helicopter base at West BIAP
- Complete 8th Mechanized Special Police basing at Taji
- Complete construction of installations at Habbaniyah and Al Haswah
- Complete construction on three additional base support units
- Complete remaining six of eleven medical clinics

• Complete Basrah and Kirkuk airfields

Iraqi Armed Forces Equipment

Project Code: 21000

| | | FY | 2005 b | y Qua | rter | | | |
|-------------------|---------|-----------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | 606 | 35 | -9 | | 1 | 632 | 497 | 194 |
| Change from April | - | 1 | 1 | -3 | 1 | -3 | +66 | +152 |
| July 2005 | 606 | 35 | -9 | -3 | • | 629 | 563 | 346 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: Department of Defense.

Changes from the April Report: This report notifies Congress of the Administration's intent to re-allocate \$3.1 million reallocation to Judicial Security and Facilities (P/C 09000) for Central Criminal Courts of Iraq,

Accomplishments since the April Report:

- Began initial force generation for the first brigade of the 7th Division. Continued to generate the first brigade of the Mechanized Division
- Purchased and refurbished assortment of BMP infantry fighting vehicles for the first mechanized battalion in the Mechanized Division (\$9.9 million)
- Purchased Night Vision Devices for the Iraqi Special Operations Forces (\$6 million)
- Completed Defense Private Network sites at Habbaniyah and Talil so that network now includes 13 Iraqi installations.

Accomplishments anticipated in next quarter:

• Prepare to receive previously ordered essential equipment for expansion units, which should arrive into theater by August.

Iraqi Armed Forces Training and Operations

Project Code: 22000

| | | FY | 2005 b | y Qua | rter | | | |
|-------------------|---------|-----|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | 394 | | | 3 | 7 | 433 | 273 | 200 |
| _ _ | 394 | 39 | | | | 433 | | |
| Change from April | - | - | - | -4 | - | -4 | +75 | +102 |
| July 2005 | 394 | 39 | - | -4 | - | 429 | 348 | 302 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Changes from the April Report: This report notifies Congress of the Administration's intent to reallocate \$3.6 million to Judicial Security and Facilities (P/C 09000) for Central Criminal Courts of Iraq.

Accomplishments since the April Report:

- Began forming the third transportation regiment in April
- Conducted specialized engineer training for the Engineer Brigade in UAE
- Graduated nearly 100 soldiers from the 12-week Iraqi Special Operations class
- Awarded initial portion of National Military Maintenance Contract (\$11.5 million)
- Transitioned Base Support Unit (BSU) life support responsibilities to the Ministry of Defence and the ITG budget at An Numaniyah; prepare to transfer life support responsibilities at Talil, Kirkuk, and Kirkush
- Awarded six-month life support contract at the Iraqi military installation at Habbaniyah (\$13.6 million)

Accomplishments anticipated in next quarter:

- Fully generate third transportation regiment; begin operational missions
- Conduct additional 12-week Iraqi Special Operations class
- Continue to transition life support responsibilities to the Ministry of Defence and ITG budget; focus on transitioning the Base Support Unit at Ar Rustamiyah, Kirkuk and Kirkush

Iraqi National Guard Operations and Personnel Project Code: 23000

| | | FY | 2005 b | y Qua | rter | | | |
|-------------------|---------|-----------------|-----------------|-----------------|-----------------|-------|----------|----------|
| | | | | | | | Obligate | |
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | d | Outlayed |
| April 2005 | 159 | 73 | -7 | - | | 225 | 167 | 102 |
| Change from April | - | 1 | - | - | 1 | - | +36 | +36 |
| July 2005 | 159 | 73 | -7 | - | 1 | 225 | 203 | 138 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: Department of Defense.

Changes from the April Report: This report maintains the \$225 million allocation for Iraqi National Guard (ING) Operations and Personnel.

- Transferred over 50% of life support responsibilities from USG to the Ministry of Defence ITG'S BUDGET; Continue to transfer life support requirements at MND-W, MND-SE, and MND-CS
- Begin initial transfer of life support at remaining MND-W, MND-SE, and MND-CS
- Provided Multi-National Corps-Iraq (MNC-I) with additional \$6 million to continue life support transition to Iraqi funding. These funds will enable Iraq to sustain its current forces while it builds its own sustainment and logistics capability.

 Transfer remaining requirements at MNB-NW, MND-B, and MND-NC and transfer 50% of life support responsibilities at MND-W, MND-SE, and MND-CS

Iraqi National Guard Equipment Project Code: 24000

| | | FY | 2005 b | y Qua | rter | | | |
|-------------------|----------|------|--------|-----------------|-----------------|--------|----------|----------|
| 2207 Donant | FY 2004 | 1 st | and | 3 rd | 4 th | Total | Obligate | Outlawed |
| 2207 Report | F 1 2004 | 1 | 4 | 3 | 4 | 1 Otal | a | Outlayed |
| April 2005 | 81 | 11 | - | - | 1 | 92 | 82 | 62 |
| Change from April | - | - | ı | - | ı | ı | +5 | +12 |
| July 2005 | 81 | 11 | - | - | | 92 | 87 | 74 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: Department of Defense.

Changes from the April Report: This report maintains the \$92 million allocation for Iraqi National Guard (ING) Equipment.

Accomplishments since the April Report:

• Final deliveries of uniforms, Kevlar helmets, boots, body armor, and some vehicles arrived.

Accomplishments anticipated in the next quarter:

 Former ING units are now part of the Iraqi Army and will continue to take some IRRFfunded equipment deliveries; accomplishments resulting from limited remaining IRRF funding will be negligible.

Iraqi National Guard Facilities

Project Code: 27000

| | | FY 2005 by Quarter | | | | | | |
|-------------------|---------|--------------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | _ | 359 | - | - | - | 359 | 291 | 26 |
| Change from April | _ | - | - | - | - | - | +19 | +70 |
| July 2005 | _ | 359 | - | _ | - | 359 | 310 | 96 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005

Responsible U.S. Government Agency: Department of Defense

Changes from April Report: This report maintains the \$359 million allocation for Iraqi National Guard (ING) Facilities.

Accomplishments since the April Report:

- Completed battalion (plus) sized facilities at Hammam Al Alil, Suwayrah, and Al Kut (\$19 million)
- Completed 10th Division Headquarters at Basrah (\$2 million)
- Completed 50% of construction of 8th Division HQ at Diwaniyah (\$4 million)
- Initiated repairs to three brigade bases for the 6th Division (\$3 million)

Anticipated accomplishments in the next quarter:

- Complete battalion sized facility for the 4th Division at Samarra
- Complete two regional training centers at Hammam Al Alil and Talil

Iraqi Security Forces Quick Response Program

Project Code: 26000

| | | FY | 2005 b | y Qua | rter | | | |
|-------------------|---------|-----------------|-----------------|-----------------|-----------------|-------|----------|----------|
| | | . st | - nd | - rd | .th | | Obligate | |
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | d | Outlayed |
| April 2005 | 40 | 80 | 50 | _ | - | 170 | 115 | 34 |
| Change from April | _ | - | - | - | - | - | +42 | +39 |
| July 2005 | 40 | 80 | 50 | - | - | 170 | 157 | 73 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: Department of Defense.

Changes from April Report: This report maintains the \$170 million allocation for the Iraqi Security Forces Quick Response Program (QRP). This report notifies \$17.5 million within QRP to be used for hardening infrastructure assets against attack.

Accomplishments since the April Report:

- Distributed variety of equipment and services to all of the divisional Major Subordinate Commands (MSCs) within Iraq, providing commanders with the means to build strong and capable Iraqi Security Forces.
- The table below breaks out the QRP categories and the amount committed/obligated in each area:

| Category | Committed | Obligated |
|---|---------------|---------------|
| Reconstruction/Repair/Force protection of Buildings | \$50,164,424 | \$48,755,574 |
| Office Equipment/supplies/Furniture/computers | \$7,940,495 | \$6,921,615 |
| Uniforms for Iraqi Security Forces | \$7,623,480 | \$7,399,980 |
| Transportation | \$11,666,280 | \$11,396,572 |
| Equipment | \$48,355,275 | \$43,605,918 |
| Training and Training Equipment | \$916,521 | \$649,123 |
| Infrastructure Repair | \$19,781,804 | \$18,046,060 |
| Emergency Life Support for ISF | \$20,682,029 | \$18,231,302 |
| Total | \$167,130,306 | \$155,006,144 |

NOTE: Committed and Obligated Data is current as of June 22, 2005.

Anticipated accomplishments in the next quarter:

- Continue to respond rapidly to the needs of the ISF and provide them timely assistance for urgent and compelling emergent requirements.
- Continue to spend QRP funds at a rate consistent with past quarters. The Commander, MNSTC-I, will use information from local commanders to identify and fund the most critical, time-sensitive needs.

Commander's Humanitarian Relief & Reconstruction Project Code: 28000

| | | FY | 2005 b | y Qua | rter | | | |
|-------------------|---------|-----------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | - | 86 | 1 | | - | 86 | 79 | 4 |
| Change from April | - | 1 | 1 | | - | - | - | +17 |
| July 2005 | _ | 86 | - | - | - | 86 | 79 | 21 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: Department of Defense/Multinational Force-Iraq (MNF-I) and USAID.

Changes from April Report: This report maintains the \$86 million allocation for the Commander's Humanitarian Relief and Reconstruction Projects (CHRRP).

Accomplishments since the April Report:

- Purchased safety and firefighting equipment in Bayji. (~\$0.9 million)
- 75% complete with three school construction projects; two in Kirkuk and one in Bayji. (\$272,000).
- Completed sewer line repair in Baghdad. (\$58,555)

USAID

• Completed 68 of 319 approved projects under the Community Actions Program's Business Development Program (BDP), funded by the 1st Cavalry Division to promote long-term income generation throughout Baghdad. (~\$1.5 million)

Anticipated accomplishments in the next quarter:

- Complete purchase of Rasheed Landfill heavy equipment (~\$2.9 million)/
- Complete infrastructure improvements at the University of Tikrit (~\$1 million).
- Complete Schwan petrol station renovation in Kirkuk (\$141,300).
- Complete 7 water and sewer projects in Baghdad. (\$1.56 million)

USAID

• Complete 65 additional projects under the Community Actions Program's BDP and move forward on implementing the remaining 186 projects.

SECTOR: Justice, Public Safety Infrastructure, and Civil Society

Other Technical Investigative Methods

Project Code: 31000

| | | FY | 2005 b | y Qua | rter | | | |
|-------------------|---------|-----------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | 5 | - | - | - | - | 5 | 1 | - |
| Change from April | - | - | - | - | - | - | - | +1 |
| July 2005 | 5 | _ | - | - | _ | 5 | 1 | 1 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: Departments of Defense and State, with some funds transferred to the Department of Justice.

Changes from April Report: A review was conducted to determine how best to use available funding to most efficiently build Commission on Public Integrity (CPI) capacity, operational capabilities and expansion as CPI approached year one since inception and recognizing the significant challenges of fighting corruption in Iraq.

- CPI achieved a significant Security and Rule of Law milestone with the first high-level arrest
 of a former minister and a pending arrest warrant for another former minister who is in
 Jordan. The arrest of a senior Iraqi official for alleged crimes committed while in office
 consistent with the Rule of Law and in a transparent manner is a major step forward in
 capacity for CPI. More than 30 arrests of Director General and above level officials occurred
 during this period.
- Opened investigations within the Ministries of Interior and Defence which may improve the accountable and efficient use of funds in those ministries as well as contribute to increasing the security in Iraq
- Began the roll out of the financial disclosure program for government officials. This is a phased implementation over the course of the IRAQ Transitional Government (ITG) and the Iraqi government after the elections. Conducting training and equipment purchases as required for the ITG roll out.
- Initiated Code of Conduct roll out for all Iraqi government employees as a condition of employment. This is part of CPIs Prevention and Transparency mandate. Completed initial plan for Ghost Hunter ghost employee eradication program, which is planned by CPI for the next government in 2006. Equipment purchases on hold until program approval expected in late 2005 or 2006.
- Revised the purchase plan for additional investigative equipment, auditing equipment, training materials to assist CPI in taking initial steps toward the establishment of regional offices to expand its contribution outside of the greater Baghdad area. See anticipated

accomplishments in the next quarter for PC 31000 and CPI portion of PC 30000 for greater detail.

• Acquired a Ninewa Province Anticorruption Office as the CPI Mosul Branch Office.

Anticipated accomplishments in the next quarter:

- Continue roll out of Code of Conduct and Financial Disclosure for the ITG. If the Iraqi government approves the program, fund the equipment for the Ghost Hunter Eradication Program. (\$0.5 million)
- Begin renovations of CPI Training Institute, an existing structure, which after renovations, equipping and staffing will provide expanded facilities for training to CPI, the Inspectors General and the Board of Supreme Audit. This institute is planned and primarily funded (\$12 million) by the Iraqi government. (\$3 million).
- Expanding investigator training in Baghdad to include Mosul Branch Office Investigators.
- Increasing the capabilities and professionalism of CPI public affairs department by utilizing tailored programs from U.S. experts and consultants.
- Working to develop CPIs legislative affairs capabilities.
- Building sustainable management systems and processes. (\$0.5 million)

Witness Protection Program Project Code: 30000

| | | FY | 2005 b | y Qua | rter | | | |
|-------------------|---------|-----------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | 40 | 1 | - | - | 1 | 40 | 35 | 0 |
| Change from April | - | 1 | - | -3 | 1 | -3 | - | - |
| July 2005 | 40 | - | - | -3 | - | 37 | 35 | 0 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: Departments of Defense/Project and Contracting Office (PCO) and State, with funds transferred to the Department of Justice.

Changes from the April Report

This report notifies Congress of the Administration's intent to reduce this project code by \$3 million and re-allocate it to Democracy-Building Activities (P/C 06000) for IRI/NDI support for campaign skills/group participation.

Funding supports a Witness Protection Program (\$35 million) and to establish and sustain the Commission on Public Integrity (CPI) (\$2 million). The funds for CPI are in addition to funds provided for the CPI in the Other Technical Investigative Methods (P/C 31000) and Democracy Building Activities (P/C 06000) project codes.

Construction of the witness security facilities is directly related to the construction of the four new courthouses in Judicial Security and Facilities (P/C 09000). Equipment for the witness security program cannot be purchased until the near completion of the facilities. Training for the witness security agents cannot commence until the Ministry of Finance awards full time positions to the Higher Juridical Council (HJC) security officers

Accomplishments since the April Report:

PCO

- Began construction at the new witness security facilities in Karkh and Rusafa Districts of Baghdad. The cost for each facility is ~\$2.5 million. (referenced above)
- Awarded contract AND began renovations to Al Hayat Apartment Complex in the International Zone as a Witness Security offsite location. (~\$10 million)

Department of Justice (DoJ)

- Delivered and distributed tactical equipment to Personal Security Detail and Facility Protection Service members of Al Hilla, Mosul, Ramadi, Fallujah, Baghdad and HJC, totaling 56 courts. (~\$1.3 million)
- Initiated three security assessment teams: Residential Assessment Team, Court Assessment Team, and Investigative Team. (~\$1.5 million)
- Graduated 167 students from Armor Group Training Academy. (~\$400,000)
- Developed numerous SOPs to include proper searching techniques for vehicles and persons, IED recognition, and Courthouse Emergency Evacuation Plan.
- Instill professionalism and pride in the courts.

Anticipated accomplishments in the next quarter:

PCO

- Begin construction at the witness security sites in Rusafa District of Baghdad, Mosul, and Basrah. (~\$7.5 million)
- Complete renovations to the Al Hayat Apartment Complex. (~\$10 million)
- Finalize floor plan to begin construction at the new witness security facilities in Karkh and Rusafa Districts of Baghdad. (~\$2.5 million each) (referenced above)
- Finalizing floor plan to prepare for the Witness Protection Program rollout scheduled during the 4th quarter of FY 2005 as well as funding commitments towards additional establishment and sustainability for CPI. Funding has been obligated as of May. (~\$10 million)

- Obligate CPI's \$2 million pending the completion of other capacity building efforts in CPI, most notably for the development of management structures, systems and processes and training of a team of investigators to more efficiently and professionally investigate corruption cases in the Iraqi government. Once a sustainable number of CPI investigators been reached, the CPI Witness Protection Program and other CPI establishment and sustainability funding will be obligated.
- Begin standing up the CPI Special Investigative Unit to provide witness protection, technical
 and tactical support in investigations through the use of surveillance and counter
 surveillance, providing special security details for investigators, the gathering of evidence,
 executing search warrants and effecting arrests.
- Complete the purchase of basic investigative equipment for CPI headquarters and two branch offices.

Department of Justice

- Start to develop an advanced Iraqi Marshals Training at Armor Group located in Al Hilla, Iraq. Training will include witness security training, judicial protection, communication, medical, firearms instructor, and MP5 training. Start to procure equipment for the witness security program, as well as uniforms and equipment for the HJC FPS. (~\$5 million)
- Finalizing the plans for the Witness Security offsite location. (~\$10 million)

Penal Facilities Project Code: 32000

| | | FY | 2005 b | y Qua | rter | | | |
|-------------------|---------|-----------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlaved |
| April 2005 | 100 | | 15 | -28 | - | 87 | 61 | 4 |
| Change from April | - | - | _ | - | - | - | -2 | +5 |
| July 2005 | 100 | - | 15 | -28 | ı | 87 | 59 | 9 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: Department of Defense/PCO.

Changes from the April Report: This report maintains the \$87 million allocation for penal facilities.

- Completed construction of the perimeter wall, fences, guard towers and interior and exterior roadways for the Nasiriyah Correctional Facility. (~\$10 million)
- Awarded contract for site and infrastructure development to include site water wells, sanitary sewer systems, and provision of electricity to the site from the national power grid to accommodate the vertical construction of inmate housing and support service buildings for the Nasiriyah Correctional Facility. (~\$55 million)

• Worked on partnership between USG and ITG to complete the Prison in Dahuk for the northern area of the country.

Accomplishments anticipated in next quarter:

• Begin construction on the buildings that comprise the main correctional facility at Nasiriyah.

Reconstruction and Modernization of Detention Facilities Project Code: 33000

| | | FY | 2005 b | y Qua | rter | | | |
|-------------------|---------|-----------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | 135 | 2 | - | 28 | - | 165 | 86 | 12 |
| Change from April | - | - | - | - | - | - | -1 | +6 |
| July 2005 | 135 | 2 | - | 28 | - | 165 | 85 | 18 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: Departments of Defense/PCO and State.

Changes from the April Report: This report maintains the \$165 million for the reconstruction and modernization of detention facilities.

Accomplishments since the April Report:

PCO

- Completed the perimeter walls, fences, guard towers, and interior and exterior roadways for the Khan Bani Sa'ad Correctional Facility. (~\$13 million)
- Awarded contract for the Khan Bani Sa'ad Facility project. (~\$87 million)
- Developed a statement of work for the Abu Ghraib Facility for the renovations of electrical services, water services, and structural repairs. Early programming and budget planning delayed the project. (~\$2 million)

Department of Defense

- Received equipment to support Iraqi Corrections Services with daily operations of facilities, including welding equipment for facility maintenance and vocational training. (\$2 million)
- Provided weapons and security equipment for Basrah Correction Region and for the Kurdistan Provinces.
- Graduated 372 Iraqi Correction Officers during May.
- Graduated 25 Iraqi Correction Officers (ICO) from a Specialized Security Training to be assigned to the prison site at Khan Bani Sa'ad and 50 ICOs for the Nassriya site.

PCO

- Begin construction on the buildings that comprise the main correctional facility at Khan Bani Sa'ad.
- Award contract for and begin construction to renovate Abu Ghraib Correctional Facility.

Department of Defense

- Anticipate receipt of vehicles including Dump Trucks, Vacuum Trucks and Fuel Tankers. (~\$1.3 million)
- Develop an Iraqi Corrections Service Training Academy in Sulaymaniyah to train ICS Officers for Military Detention Transition.
- Anticipate continued coordination with State Department Bureau of International Narcotics and Law Enforcement (INL) Justice Integration Project on the automated Offender Management System which is an electronic system allowing authorized users to access and edit inmate/detainee data.
- Anticipate spending \$1.5 million on vehicles for the Iraqi Corrections Service.
- Expect delivery of Radio Communications Equipment for Iraqi Corrections Service

FACILITIES REPAIR, FIRE SERVICE, AND DEMINING

Facilities Repair Project Code: 13000

| | | FY | 2005 b | y Qua | rter | | | |
|-------------------|---------|-----------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | 92 | - | - | -3 | 1 | 89 | 64 | 8 |
| Change from April | - | - | - | - | | | +11 | +12 |
| July 2005 | 92 | - | ı | -3 | | 89 | 75 | 20 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: Department of Defense/PCO

Changes from the April Report: This report maintains the \$89 million allocation. Funding in this project code is used for the construction or reconstruction of police stations, firehouses, and Ministry of Interior administrative buildings.

Accomplishments since the April Report:

• Began construction on all thirteen of the new fire stations. (~\$18 million)

• Completed 60 of 88 fire station renovations. (~\$19 million)

Accomplishments anticipated in next quarter:

- Complete construction of the thirteen new fire stations. (~\$18 million) (referenced above)
- Complete remaining 28 fire stations renovations

Fire Service

Project Code: 14000

| | | FY | 2005 b | y Quai | rter | | | |
|-------------------|---------|-----------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | 122 | 1 | -10 | 6 | | 118 | 91 | 19 |
| Change from April | - | 1 | - | - | -3 | -3 | +14 | +22 |
| July 2005 | 122 | 1 | -10 | 6 | -3 | 115 | 105 | 41 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: Department of Defense/PCO

Changes from the April Report: This report reflects a decrease of \$3 million reallocated erroneously from Crimes Against Humanity (PC 05000) in the April 2207 for a new authorized amount of \$115 million.

Accomplishments since the April Report:

- Awarded contracts for and began shipping Breathing Units (Self Contained Breathing Apparatus) (\$5.6 million) and Lockers (\$57,000). Completed purchase request for Explosive Ordinance Disposal (EOD) equipment (~\$0.9 million). Conducting independent quality tests on firefighting foam (~\$1.1 million)
- Distributed firefighter equipment from Abu Ghraib warehouse to Iraqi Civil Defense Directorate (ICDD) warehouse in Baghdad (~\$ 6 million)
- Received fire trucks (mini-pumpers, medium rescue vehicles, and fuel tankers) (~\$33 million)
- Trained 600 of 1800 new recruit firefighters at the fire academy in Bahrain, totaling. (~\$5.6 million) Four Fire fighters received advanced training in Oman. (\$19,000)
- Distributed 392 red Fire Protection Command & Control vehicles (Suburbans and Silverados) to fire stations throughout the country. (~\$10 million)

Accomplishments Anticipated:

• Facilitate the ICDD's distribution fire equipment to the 203 fire stations nation-wide per the 2004-2009 Strategic Plan.

- Conduct fire boat training at Umm Qasr port for 25 fire fighters and distribute sixteen 19' and four 30' fire boats with trailers (~\$2.5 million)
- Award contract for EOD equipment (~\$0.9 million)
- Distribute Iraqi-accepted foam (~\$1.1 million)
- Distribute Mini-Pumpers, Medium Rescue Vehicles, and Fuel Trucks (~\$33 million)
- Conduct training at Adnan Palace in Baghdad on jaws-of-life fire equipment

Demining

Project Code: 09500

| | | FY | 2005 b | y Quar | ter | | | |
|-------------------|---------|-----------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | 61 | 9 | - | - | 1 | 70 | 70 | 48 |
| Change from April | - | 1 | - | - | 1 | - | -5 | - |
| July 2005 | 61 | 9 | - | _ | - | 70 | 65 | 48 |

NOTE: Obligation and Outlay Data is current as of March 29, 2005.

Responsible U.S. Government Agency: Department of State.

Changes from April Report: This report maintains the \$70 million allocation for a National Mine Action Program to eliminate the impact of landmines and unexploded ordnance (UXO) upon Iraq.

- Continued with the Vietnam Veterans of America Foundation (VVAF) Landmine Impact Survey (LIS). The LIS is a countrywide canvassing of towns and villages to ascertain the socioeconomic damage caused by landmines, unexploded ordnance (UXO) and munitions caches and to generate data for populating the national Information Management System for Mine Action (IMSMA) database. The IMSMA data is being analyzed to formulate a strategy for reducing areas of contamination on a prioritized basis. (\$482,000)
- Continued to improve and expand the training facilities at Az Zubayr. (\$39,243)
- Commenced training Iraqi staff on the use, care, and maintenance of National Mine Action Authority (NMAA) purchased equipment. (\$66,435)
- Formalized the draft National Mine Action Standards. (\$99,651)
- Provided continuing support to the Mine Detection Dog program in the North on a limited basis. (\$383,916)

• Provided technical advice to the NMAA in anticipation of the NMAA funded clearance operations in Baghdad and other areas of Iraq on a limited basis. (\$99,651)

Anticipated accomplishments in the next quarter:

- Continue with the LIS, security situation permitting. (~\$525,000)
- Limited support for some demining operations and training to include courses to train elements of the Iraqi National Guard in Explosive Ordnance Disposal supported by coalition funding. (~\$600,000)
- Limited training of Iraqi staff on the use, care, and maintenance of NMAA purchased equipment. (~\$1.2 million)
- Placement of the Mine Detection Dog program in the North to a minimum maintenance status. (~\$600,000)
- Provide limited technical advice to the NMAA for the commencement of NMAA funded clearance operations in Baghdad and other areas of Iraq. (~\$1.3 million)

Public Safety Training and Facilities Project Code: 15000

| | | FY | 2005 b | y Qua | rter | | | |
|-------------------|---------|-----------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | 139 | | - | - | - | 220 | 135 | • |
| Change from April | - | - | - | - | - | - | +50 | +47 |
| July 2005 | 139 | 81 | ı | - | - | 220 | 185 | 99 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: Department of Defense/PCO.

Changes from the April Report: This report maintains the \$220 million allocation for the training of firefighters and the operating costs of fire training facilities and Iraqi police training academies, including the Baghdad Public Safety Academy.

- Determined land ownership issue and worked on initial design of Civil Defense Training Academy. The duration of the land ownership resolution process has taken longer than anticipated, which has impacted project schedule.
- Counterterrorism facilities are complete and were turned over on June 13.
- Purchased Iraqi police organizational clothing and individual equipment for use during training (\$2.5 million)
- Extended life support options, primarily at the Baghdad Police College (\$8.9 million)

• Provided commercial transportation for Iraqi police cadets to and from Jordan. (\$1.6 million)

Accomplishments anticipated in next quarter:

- Complete initial design, award contract and begin construction of the Civil Defense Training Academy. The approximate start of the construction is estimated to be July 15. (~\$24 million)
- Continue to provide individual uniforms and equipment, Academy life support, and commercial transportation to and from Jordan for Iraqi police cadets

National Security Communications Network: Advanced First Responder Network (AFRN) Project Code: 25000

| | | FY | 2005 b | y Qua | rter | | | |
|-------------------|---------|-----------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | 98 | - | 9 | - | - | 107 | 85 | 17 |
| Change from April | - | - | - | - | - | - | +13 | +18 |
| July 2005 | 98 | - | 9 | - | - | 107 | 98 | 35 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: Department of Defense/PCO

Changes from the April Report: This report maintains the previously notified allocation of \$107 million

AFRN is a local, governorate, and national Public Safety communications and dispatch system that will enable Iraqi police, fire, and emergency personnel to communicate effectively through radio, secure voice, and data communications. It will provide improved emergency services to 16 of Iraq's cities selected for strategic importance. This project is critical for the establishment of an effective police force and for linking police to other security and government personnel, enabling them to converge quickly on local and regional emergencies. High frequency (HF) radios, have been installed in 79 cities, providing emergency long haul voice and limited data connectivity prior to Terrestrial Trunked Radio (TETRA) installation in the 16 cities and in areas not covered by the TETRA infrastructure. As terrestrial fiber optic connectivity is established for the TETRA network, the HF will serve as backup voice connectivity. The project is phased into two major Task Orders, TO 5 covering Baghdad and TO 6 covering 15 cities in the governorates.

- Distributed 1,020 programmed and encrypted handset radios and 40 desktop radios to the Iraqi Police and Iraqi Civil Defense Directorate (ICDD fire fighters) as Phase I of the Radio Fielding Plan.
- Completed System Initial Operational Capability (IOC) for Task Order 5, Baghdad network

- Commenced Network Validation Testing for the Baghdad (TO5) network.
- Conducted final design review for TO 6.
- Commenced installation of AFRN under TO 6. This includes two new Main Switching
 Offices (MSO) in Kirkuk and Basrah, nine Governorate Dispatch Centers (GDC), and 42
 Base Transceiver Stations (BTS) in 15 cities. Placed installation of 3 BTSs in Ramadi on
 hold due to dangerous environment.
- Commenced site surveys and engineering in most of TO 6's 15 cities.
- Reviewed AFRN intercity connectivity, under TO 6, with the Iraq Telephone and Postal Company, (ITPC).

- Implement Phase II of the Radio Fielding Plan, which involves programming, encrypting, and distributing 27,000 additional radios (handhelds, desktops, and vehicle-mounted) to the 16 AFRN cities by September 15 in order to support the October 15 Constitutional Referendum.
- Support the establishment of a dedicated AFRN team at the Ministry of Interior (MoI) to manage the AFRN program.
- Commence training of MoI Department of Communications staff to perform necessary tasks to manage, operate and maintain the AFRN.
- Obtain cooperation from the Ministry of Oil for fuel and the Ministry of Electricity for reliable electricity to power the AFRN sites in Baghdad.
- Complete Site Acceptance Test (SAT), Network Acceptance Test (NAT), Operational Readiness Test (ORT) and Final Operational Capability (FOC) for Baghdad under TO 5.
- Commission Baghdad network (TO 5).
- Commence Operation and Maintenance (O&M) under TO 5.
- Continue the installation, test and commissioning of the 15 city networks under TO 6. Estimated date to complete TO 6 is 30 October.

Rule of Law in Iraq Project Code: 06500

| | | FY | 2005 b | y Qua | rter | | | |
|-------------------|---------|-----------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | 30 | - | - | 27 | - | 57 | 25 | 1 |
| Change from April | - | 1 | - | - | 1 | - | +3 | +12 |
| July 2005 | 30 | 1 | - | 27 | 1 | 57 | 28 | 13 |

Responsible U.S. Government Agency: Department of State, USAID and Department of Defense.

Changes from the April Report: This report maintains the previously notified \$57 million ...

Accomplishments since the April Report:

Department of State, Bureau of Narcotic and International Law Enforcement Affairs (INL)

- Signed Justice Integration Project task order with Bearing Point (\$20.5 million/3 years). Implementers deployed to Iraq and began Phase I assessment and establishment of the Inter-Ministerial Committee facilitated by Rule of Law Coordinator in Baghdad.
- Held second Rule of Law coordination meeting in Amman, Jordan amongst United Stated Government (USG) agencies and international donors.
- Awarded grant to National Strategy Information Center for implementing phase I of a "Culture of Lawfulness" Education program in Iraq (\$1 million committed)
- Finalizing grant documents for work on facilitating an Iraqi led Rule of Law Advisory/Strategy Committee and support to Constitution drafting process (\$3 million)
- Completed final edits to the statement of work for Justice Reform Project (\$14 million):
 - o Building capacity of the Higher Juridical Council
 - Strengthening capacity of Legal Professionals and Structures in the Iraqi Criminal Justice System
 - o Build capacity of the Ministry of Human Rights and legal professionals to prevent abuse
- Facilitated widespread consultation and program planning activities with Iraqi justice stakeholders and Embassy leadership to further develop specific Rule of Law and Justice Reform programs.

USAID

- Instruction plan formulated and participants identified for a 30 person training targeting Ministry of Justice officials. The focus of the training will be legal theories, concepts, and practices pertinent to commercial legal matters currently before the Ministry.
- Drafted a new commercial agency law and formed public private working group to promote the law.
- Comprehensive instructional program prepared to train 20 non-court experts in alternative commercial dispute resolution.

- Drafted revised NGO law to replace Coalition Provisional Authority Order 45. Currently in process of getting more local input into THE DRAFT law and partnering with local and international NGOs to promote the draft law and get it passed by the Iraqi TRANSITIONAL National Assembly.
- Continued work designing a Ministry of Justice website with ongoing discussions taking place regarding what ministry officials would like to see included as content.

Department of State/INL

Continue implementing the Justice Integration Project Phase I (lasting three months), which will result in (1) a thorough examination of the current jurisdictions, work flows, coordination practices and information sharing and case management procedures of the Iraqi justice system, (2) the formation of an inter-ministerial coordinating commission and facilitation of meetings to increase inter-ministerial coordination and develop a national policy and strategy for improving integration of the police, courts and prisons and (3) a detailed plan for further implementation of the Justice Integration Project. (Balance of \$20.5 million will be obligated in Oct-Nov).

- INL's Judicial Integrity Project, implemented by the ABA, will host Judicial Strategic Planning conference with Iraqi judges in order to begin developing a judicial reform strategy and implementation plan.
- INL Rule of Law Coordinator will help organize another Rule of Law coordination meeting to follow on to the IRRFI coordination meeting to be held in July.
- Obligate grant funds for the establishment of and support to an Iraqi Rule of Law Advisory Committee that will devise strategies and programs for justice sector reforms that will effectuate the constitution and make recommendations to the new government and international community for Rule of Law activities in Iraq. (~\$2 million to be obligated in June)
- Obligate grant funds to support the constitution-drafting process on issues related to legal structures, justice reform and human rights. (~\$1 million to be obligated in June).
- Continue support for improving security and court rehabilitation for the Central Criminal Court, including expansion to other regions of Iraq.

USAID

- Hold a public conference on new commercial agency law in association with a local NGO and submit the draft law for official adoption.
- Assess the Higher Juridical Council's institutional strengthening and capacity building needs for commercial law adjudication and development.

- Survey possible alternative dispute resolution (ADR) providers in Iraq and identify possible candidates for International Law Institute trainings on ADR.
- Operationalize the new Ministry of Justice website.

Investigations of Crimes Against Humanity Project Code: 05000

| | | FY | 2005 b | y Qua | rter | | | |
|-------------------|---------|-----------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | 75 | - | 53 | -3 | | 125 | 62 | 10 |
| Change from April | _ | - | - | - | +3 | +3 | +10 | +19 |
| July 2005 | 75 | - | 53 | -3 | +3 | 128 | 72 | 29 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: Department of Justice (with funds transferred from Departments of Defense and State) and USAID's Office of Transition Initiatives. (USAID/OTI)

Changes from the April Report: This report reflects an increase of \$3 million reallocated erroneously to Fire Services (PC 14000) in the April 2207.

Accomplishments since the April Report:

Department of State

- Completed the second mass grave exhumation in the 2nd quarter of FY 2005 in Muthana Province. Began the third grave exhumation in Al Amarah. Contracts are in place with the USACE for the personnel necessary to conduct the current dig (~\$6.9 million) and to complete the forensic analysis reports necessary for evidentiary purposes.
- Established the life support and security contracts for the exhumation to accomplish the next mass grave dig. (~\$2.1 million)
- Purchased equipment and supplies for the Mass Graves Exhumation and Forensic Analysis Facility teams

USAID/OTI

- USAID/OTI continued to support the Secure Evidence Unit's (SEU) information technology requirements, as well as provide stipends to laborers protecting the documents collected for evidentiary purposes.
- USAID/OTI continued to support the development of the Forensic Evidence Facility (FEF) for the IST team.

Department of Defense

• Constructed the Iraqi Special Tribunal Building (~\$20 million). Turn over to the IST upon negotiation of the security and operations and maintenance (O&M) of the building.

- Develop statement of work to move the Secure Evidence Unit (SEU) into the International Zone.
- Continue use of the temporary (tent) morgue facility (Forensic Analysis Facility -- FAF) to analyze evidence of the mass grave exhumations. The facility is fully functional and is a cost savings over construction of a more permanent facility.
- Realigned SEU to remain a part of Forward Operating Base (FOB) Justice due to delay in application process (\$300,000), and needed extensive repairs due to a fire within the space.

Department of State

- Commence exhumation of gravesites four through six in September. Began planning and contract negotiations with the USACE and the military for life support and security concerns.
- Continue training of the Iraqis in the proper forensic procedures for analysis of evidence obtained from mass graves exhumations. (see note with P/C 09500 Human Rights that will be reported in P/C 05000)
- Renovate East Wing of former Ba'ath Party Headquarters for office space and safe haven billeting for IST, pending transfer of \$4 million to PCO Construction.

USAID/OTI

• Continued support to the IST, FEF, and SEU, as well as provision of stipends to laborers protecting the documents collected for evidentiary purposes.

Department of Defense

- SEU's Request to Occupy IZ building application is pending; expect to begin renovation of a space within the International Zone and complete the project by the end of 4th quarter, including the relocation of the existing SEU to the new facility. (\$4 million)
- Extend/renew current contracts to cover mission support through the end of the investigations. (~\$2.2 million)
- Continue training for the Iraqis in the proper forensic procedures to analyze evidence obtained from the Mass Graves Exhumations. (~\$882,000)
- Complete the Force Protection for the Forensic Analysis Facility living area, as well as, continue the contracts for O&M. (~\$1.5 million)
- Award contract and begin renovation of the Secure Evidence Unit(~\$3 million)

Judicial Security and Facilities

Project Code: 09000

| | | FY 2005 by Quarter | | | | | | |
|-------------------|---------|--------------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | 73 | 50 | 10- | - | - | 133 | 45 | 21 |
| Change from April | - | - | - | +26 | | +26 | +58 | +12 |
| July 2005 | 73 | 50 | 10 | 26 | | 159 | 103 | 33 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: Departments of Defense/PCO and Department of State, with some funds transferred to Department of Justice.

Changes from the April Report: This report notifies Congress of the Administration's intent to increase funding in this project code by \$26 million. \$15 million will support the Central Criminal Court of Iraq and OPDAT and will be reallocated from Police Training and Technical Assistance P/C 10000 (\$6.9 million), Iraqi Armed Forces Equipment P/C 21000 (\$3.1 million), Iraqi Armed Forces Training and Operations P/C 22000 (\$3.6 million), and Border Enforcement P/C 11000 (\$1.3 million), \$11 million will support the Joint Iraqi American Anti-Terrorism (JTF) from Roads and Bridges (P/C 82000) cancellation of the Al Doura Yousafiya highway.

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Funding for Judicial Security and Facilities is used to improve the security of and perform structural repairs to Iraqi courthouses and provide around-the-clock security and protective services for judges and prosecutors in Iraq. In addition, some of these funds are being used to support the Department of Justice's Office of Overseas Prosecutorial Development Assistance and Training (OPDAT) program, which is providing criminal justice experts to the Ministry of Justice.

Accomplishments since the April Report:

Department of Justice

- Continue security assessments and equipment issue in cities outside of Baghdad.
- Continue training of PSDs and Facilities Protective Services (FPS) security officers for the Ministry of Justice (MoJ)/Higher Juridical Council (HJC).
- Purchased armored vehicles for Ministers and Judges. (~\$1.32 million)

PCO

- Completed the final design and started construction of the new Karkh District Courthouse in Baghdad. Use same design to build four additional courthouses throughout Iraq. Each new courthouse costs approximately \$10 million and will employ approximately 200 personnel.
- Renovated 60% of the Basrah Courthouse. Phased construction process started later than scheduled causing a revision in over all schedule. (~\$3 million)

- Renovated the Judicial Training Institute. (~\$2.4 million)
- Renovated five courthouses; three in Dahuk, one in Erbil, and one in Fallujah. Eight courthouse renovations in progress; two in Ninawa, two in Basrah, three in Muthana, and one in Wassit. The National courthouse renovation program is \$4.2 million.

Anticipated accomplishments in the next quarter:

Department of Justice

- Purchase security equipment and furnishings for the new courthouses in Baghdad. Each court will cost approximately \$1 million to furnish.
- Purchased the land and developing plans for the construction the HJC Academy. (~\$1 million)
- Commence renovation of Central Criminal Court of Iraq (CCCI). (~\$2.1 million)
- Distribute armored vehicles to Ministers and Judges. (~\$1.32 million)

PCO

- Begin construction of the new courthouses in Baghdad's Rusafa District, Mosul, Basrah, and Hilla. (~\$40 million)
- Begin additional renovations in all regions (north, central, and south) pending final assessments of courthouse locations. (~\$4.2 million).
- Begin additional renovations at the CCCI. (~\$2.5 million)
- Complete the eight renovations throughout Ninawa, Basrah, Muthana, and Wassit Provinces

Democracy-Building Activities

Project Code: 06000

| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
|-------------------|---------|-----------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| April 2005 | 541 | 291 | 100 | -27 | - | 905 | 668 | 308 |
| Change from April | - | 1 | ı | | 37 | 37 | +184 | +135 |
| July 2005 | 541 | 291 | 100 | 27 | 37 | 942 | 852 | 443 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: Department of State and USAID.

Changes from the April Report: This report notifies Congress of the Administration's intent to increase funding in this project code by \$37 million: \$6 million for Weekly Opinion Polls from Roads & Bridges (P/C 82000) and \$11 million for IRI/NDI support for campaign skills/group participation reallocated from: CPI (DoD) P/C 30000 (\$3 million), Roads & Bridges P/C 82000

(\$4.5 million), \$3 million from Border Enforcement P/C 11000 and \$500,000 from Network Infrastructure P/C 42000.

This report also notifies Congress of the Administration's intent to reallocate \$20 million for IRI/NDI to support elections from Housing Rehabilitation Grants P/C 01700 notified in the April 2207 but not approved, and \$9 million will be used from the previously notified \$100 million CAP program which was identified as administrative costs.

In the previous quarter, Embassy Baghdad's support to democratic initiatives in Iraq focused on the pivotal January 30th elections. Throughout 2005, Iraqis will be establishing the foundation of their country's system of democratic governance while playing a greater role in the selection of their leaders and formation of their government.

The USG has supported and will continue to support the full transitional elections cycle through the provision of immediate operational and technical assistance to the Independent Election Commission of Iraq (IECI); by supporting voter outreach and civic education through coalitions of civic leaders from across Iraq united to promote informed and active participation in the elections; providing assistance to combat fraud in the elections process through support for the creation of a network of election oversight and monitoring organizations; and providing technical assistance and training to political parties and agents, with a special emphasis on the political participation of women.

USG support bolstered the legitimacy of the political process by assisting Iraqis to participate in the elections process by supporting the founding of the Civic Coalition for Free Elections (CCFE), a group of civic leaders from across Iraq united to promote informed and active participation in the elections. The CCFE engaged in voter education that resulted in millions of Iraqis receiving education on their rights and responsibilities to participate in the elections through conferences, workshops, flyers and media.

The USG further supported the creation of Iraqi election oversight organizations through Iraqi Election Information Network (EIN) and Coalition of Iraqi Non-Partisan Domestic Election Monitors (CINEM). The networks of over 150 Iraqi civic groups provided oversight to combat fraud by deploying nearly 10,000 accredited election monitors throughout Iraq's 18 governorates, covering approximately 80% of the polling centers on Election Day, officially reporting on 5,587 polling stations and in 2,871 polling centers. An additional 30,000 party agent observers were trained and mobilized on Election Day.

The work of the USG, in conjunction with its implementing partners, the IECI, the UN Elections Assistance team, the donor community, and the massive participation of Iraqi citizens successfully resulted in the first democratic elections in Iraq on January 30, 2005. In the next quarter, increased support will be given to governmental and civil society entities for the constitutional process, which is the second phase of the 2005 Iraq election cycle.

Hand in hand with its support to the political process, Embassy Baghdad's activities are designed to achieve both immediate reconstruction objectives and longer-term democratic governance goals leading to stability. Targeted reconstruction grants and other support to designated strategic cities in this quarter increased the numbers and scope of short-term employment generation activities across Iraq and expanded conflict mitigating activities to new areas. Ongoing activities provided capacity building and training to both national and local level officials; Rule of Law activities are supporting increased integration and transparency of the

justice system; and support to civil society through grass-roots initiatives continued to create short and long term jobs while helping citizens to address community identified priorities and leveraging significant local resources.

Accomplishments since the April Report:

USAID

• The Local Governance Program

- Completed a wide array of computer-based training for 2,977 members of the finance staff from the Baghdad Water and Sewage Departments. The training, which will form the basis for future training in finance and budgeting, is designed to build capacity of city employees for future implementation of revenue collection and expenses.
- O Completed the Civic Dialogue Program, in which more than 750,000 Iraqis participated in almost 30,000 Democracy Dialogue Activities (DDA). The thrust of the DDA was to impart a basic understanding of the principles of representative democracy, transparency and inclusive government; evidenced currently by the fact that, on average, women have been elected to nearly one third of all Provincial Council seats, following an election with overwhelming voter turn-out.
- O Held a national conference on local government associations in Baghdad. A similar one-day conference was also held in Basrah. Preparatory committees were established to arrange membership of provincial council members in local government associations in the northern governorates. These conferences have resulted in the creation of regional and provincial LGAs in Iraq. They have also produced ongoing dialogue among local government leaders on the subjects of intergovernmental finance and decentralized service delivery and the importance of these principles in the drafting of a constitution.
- O Local government association members in Babil Province received training on election issues and are lobbying/networking with National Assembly members to advocate for increased local government authority, resulting in an increased awareness of the influence LGAs can have in creating a legal framework in advance of the new Iraqi constitution and future enabling legislation.
- A set of draft by-laws for local government associations were prepared and distributed in Najaf and Diwaniyah (Qadissiyah). These will serve as a model for other Provinces pending the outcome of the final review and acceptance of the bylaws in these two provinces.
- Conducted basic computer skills training programs for new council members (capacity building) on a continuous basis in most regions. These programs include training on Internet usage and Word and Excel. Basic and advance English was also offered.

<u>The CAP</u>: The USAID/Iraq Community Action Program fosters direct citizen involvement in the rehabilitation of Iraq, enabling Iraqis to address their needs in their respective communities.

CAP is a valuable tool for social mobilization and grassroots democratization. Citizens are forming local community groups to identify and prioritize the needs of their communities and develop projects that address those needs. The CAP creates short- and long-term jobs through the funding of community-identified priorities. Procurement for these community projects occurs locally, which pumps millions of dollars into local economies in all 18 governorates. CAP presently employs 9,000 to 11,000 Iraqis in 500 projects with 500 projects in the pipeline. To date, CAP has completed over 2,000 projects.

- Completed a total of 431 new community-driven projects since the last report, generating 1,793 new long-term jobs. This is counted from April – May since the last report was written mid-March and this report is written in early June. This figure includes programs carried out under the Marla Ruzicka Iraqi War Victims Fund.
- Awarded a follow-on cooperative agreement for a third year of the program to each of the existing five implementing partners. The third year of CAP will focus on promoting direct citizen participation in the rehabilitation and political processes of Iraq, generating income and employment for Iraqis, mitigating and preventing conflict, increasing the capacity of communities associations to advocate with provincial government, and encouraging the participation of women, youth, and other under-represented groups.
- Other accomplishments for CAP are reported under the relevant project codes for potable water, sewerage, electricity, and roads and bridges.

• Support to Iraqi Interim and Transitional Government:

- O Supported newly elected government by providing several orientation sessions for newly elected TNA members. Conducted assessment on training needs for new TNA members and staff as requested by the newly elected TNA. 93 TNA members attended six orientation sessions, six follow-up workshops and a skill development workshop. This quarter the Legislative Program workshops were attended by 332 participants indicating the fact that many members have chosen to regularly attend the workshops, averaging close to 4 workshops each.
- O Provided basic skill development training in areas including basic parliamentary skills, legislative drafting, transparent budgeting, rules and procedures, and staffing requirements. Trained all but one list, and reaching 60 to 70 percent of the political parties represented on those lists. Trainings were very well received, and sessions were routinely oversubscribed, reaching up to two trainings per day, with an increasing number of senior members participating in workshops. As a result of this successful training, TNA members have requested additional training on committee work, oversight activities and drafting of laws.
- Ocontinue to develop the capacity of national government officials and staff members to conduct constituent outreach by providing training on modern political communications such as message delivery and public speaking. Continued efforts to establish with INA representatives a Legislative Support Unit, similar to the Library of Congress' Congressional Research Service, and Information Resource Centers in pilot governorates.

- O Provided assistance to the constitutional drafting process. Trained 12 professional TNA staff on legislative drafting including technical support to the newly formed government drafting committee.
- O Hosted an Engendering the Constitution workshop for 45 women members of the TNA and Provincial Councils and civic leaders to promote the consideration of gender issues in the constitutional drafting process. Regular meetings have been facilitating debates on gender concepts among women who would normally not have the opportunity to meet to focus on common priorities, putting aside differences in regard to their political party affiliation, religious background, ethnic identity. Lectures have also focused on substantive issues, increasing their knowledge base and awareness, including how different constitutions in various part of the world addressed issues of equality and adherence to international covenants. Three of the nine women members of the constitution drafting committee regularly participate in these workshops. Members have stated they will use the information to work with their respective Committees and organizations to advocate for women's equal rights in the constitution.
- o The Engendering of the Constitution Program produced and distributed 32,000 copies of the 'Popular Guide to Women and the Constitution' in both Arabic and Kurdish. The purpose of this booklet is to help promote discussions and dialogues about the constitution in particular in regards to women's rights among Iraqis throughout the country. Booklets were distributed throughout Iraq with the active involvement of civil society leaders, council and parliament members who regularly participate in the Engendering of the Constitution program. Booklets were distributed in various governorates including Baghdad, Thi Qar, Wasit, Muthana, Samawa, al-Qadisiya and Diwaniya. More copiers are still being requested.

• Election Support and Voter Education:

- Oconducted a survey of Iraqi Public Opinion during the period April 11-20 on the general political environment, perceptions of the Iraqi National Government, awareness and expectations of the constitution. This was briefed to the Iraqi political parties represented in the Assembly and a number of parties that were not elected but that continue to be active.
- o Disseminated the Iraqi Election Information Network's final election report and provided technical assistance for organizational capacity and skills building.
- Supported the further institutional capacity development of the IECI. Continued work with the IECI to prepare for the referendum and national elections. Sponsored a study trip to the Netherlands for two IECI officials to observe the European Union Constitution referendum.
- O Supported NGOs, Civil Society Organizations, and political parties to play an active role in the constitutional debate. Conducted extensive workshops and conferences on the constitutional drafting process and civic advocacy in Baghdad, Erbil, Hilla and Basrah that targeted women and youth. Events included a two-day conference entitled "A Call to Action: Civic Advocacy and the Creation of Iraq's New Constitution" for 40 Iraqi civic leaders, including a hosted event with trainers from Albania and

Ukraine. In July, these organizations are expected to participate in a forum discussion with constitutional drafting committee members, and to hold a national conference to present the results of the nation-wide civic dialogue directly to the constitutional committee members.

- O Supported education activities related to the post-election and constitutional drafting process including media campaigns, printing and mass distribution of brochures and pamphlets. Finalized planning for Civic Coalition for Free Elections constitution awareness-building campaign that will directly target 500,000 Iraqis, and multiple more through indirect means. Began publication of 15,000 brochures entitled "Constitution for Everyone" that contains information on the fundamentals of a constitution and the drafting and referendum in Iraq.
- O Conducted outreach to Sunni political and religious leaders in an effort to promote inclusion in the constitutional drafting process. Supported a conference for independent Sunni cleric's association on the constitutional process for 20 participants. A series of three additional conferences will follow for 75 to 100 participants from Baghdad and other predominantly Sunni governorates to build awareness of the constitutional process. Conducted workshops for Sunni clerics on the constitution.
- In partnership with Dahuk University, conducted a series of lectures for faculty and students on freedom and democracy, government structure in the constitution, decentralization and federalism, and electoral systems.

• <u>Civil Society and Media Program</u>:

- Conducted 506 workshops and trainings during the reporting period for over 10,000 beneficiaries in the areas of media, anticorruption, civic education, women's advocacy, and human rights. Some of these events are being conducted in some of the most difficult areas of Iraq to work in including Al-Anbar, Diyala, and Salah al-Din provinces.
- o Facilitated a meeting in Fallujah that brought together human rights activists and NGO leaders from Najaf, Karbala, and Baghdad to lobby local government officials for improved public services. They formed teams to engage in a city cleanup campaign, thus drawing attention to the poor state of public service delivery.
- o The anticorruption team from the Civil Society and Media Program sent NGO representatives and program staff to a conference in Kuwait entitled "International Conference on Administrative Corruption". Iraqi CSO representatives had an opportunity to interact and network with other anticorruption program officials from the Middle East and other regions and to share information and lessons learned on how corruption can be addressed and mitigated through more active citizen participation and increased public awareness.
- The Civil Society and Media Program partnered with United Nations Assistance Mission to Iraq representatives and the Iraqi Women Journalists Union to begin working on programs for broadcast on the Al Iraqiya TV in support of the

constitutional process. In addition, a committee was established to monitor the degree to which women's rights are considered during the drafting process.

• Transition Initiatives:

- O USAID/OTI continues to take part in the post-battle reconstruction of Fallujah, with total programming reaching \$5.6 million with 47 projects. Assistance in this reporting period included the rehabilitation of local government offices, support to youth, and the rehabilitation of Fallujah's markets and commercial district. Supporting the Fallujah post battle reconstruction initiative (PBRI) has been conducted in close cooperation with the local Iraqi government, tribal leaders and citizens who actively prioritize the needs to be addressed. These activities not only restore essential services, foster confidence of constituents in the ability of the legitimate local government to provide essential services, but are based on the underpinnings of a consensus based problem solving mechanism and hence the beginning of a democratic society.
- USAID/OTI continued to implement activities which generate short-term employment, with average daily employment exceeding the 40,000 target in both April and May. Many of these activities were developed during the period of rising tensions during the preparations for elections. While employment activities were focused in Baghdad, including Sadr City, and the North of Iraq, the geographic coverage of USAID/OTI short-term employment generation initiatives continued to expand during this reporting period. Most significant in this regard are the short-term employment projects that began in Fallujah in Al-Anbar province – a first for USAID/OTI in this strategic city. Also, employment initiatives took place for the first time in the strategic city of Diwaniyah in Qadissiyah governorate, a relatively underserved province that still bears scars from the Mahdi uprisings in 2004. Najaf continued to benefit from temporary employment initiatives during this time period, as did the strategic city of Basrah, which had a major short-term employment initiative begin in one of its most blighted and violent neighborhoods. . Seizing critical windows of opportunity, these programs serve as an immediate means to mitigate conflict and reduce tension so more traditional democracy building activities such as civic dialogue, unimpeded elections etc. may then follow and be conducted in a more stable environment – thus increasing the likelihood of long term success. Moreover, these activities foster the confidence of citizens in the ability of the legitimate local government to provide services, solve problems and address security concerns in the local community – all of which contribute to an environment more conducive to establishing democracy.
- Support to grass roots civic education and youth activities, with an emphasis on strategic cities, were another focus of the second quarter. In this regard, USAID/OTI supported an Iraq-wide power conservation campaign, and a civic education campaign, involving Baghdad's youth, promoting community efforts to keep the city clean and free of trash. USAID/OTI also supported an anti-violence art and letter-writing campaign involving over 40,000 primary school students from schools in Baghdad, Ninewa (including the strategic city of Mosul), the strategic city of Kirkuk, and Erbil. Separate projects with college students in the northern Iraqi governorates of Erbil, Sulaymaniyah, Dahuk, as well as students in Kirkuk and Baghdad, provided universities with new education equipment through a democratic and participatory

process. In the south of Iraq, adult literacy initiatives were supported in disadvantaged neighborhoods in Basrah and in Marsh areas. . These efforts build the capacity of local Iraqi NGO's who are starting to serve as public advocates as they begin to address with an Iraqi voice the deficiencies in essential services and bring attention to the critical needs that need to be addressed by local and national government officials. The key factor is that these activities are being implemented by local Iraqi NGO's and Iraqi to Iraqi. Thus skill sets for public advocacy are being designed and implemented with public advocacy being a key feature of democratic societies. These programs also create and foster stability in the community, serve to change attitudes within the community, and create a venue for civic dialogue and discussion amongst citizens so a whole host democratic values may be given a chance to take hold. These programs seize upon critical windows of opportunity so that longer term development programs may follow and build upon the foundations of these short term endeavors. These programs also serve as a means to reduce tension and mitigate conflict amongst one of population sector segments most vulnerable to participation in the insurgency: young adult males.

O USAID/OTI also supported an anti-violence art and letter-writing campaign involving over 40,000 primary school students from schools in Baghdad, Ninewa (including the strategic city of Mosul), the strategic city of Kirkuk, and Irbil. These activities that focus upon the youth foster a sense of community, serve to lessen ethnic and religious tensions that divide Iraq and promotes an atmosphere more conducive to the democratic process. Separate projects with college students in the northern Iraqi governorates of Irbil, Sulimaniyah, Dohuk, as well as students in Kirkuk and Baghdad, provided universities with new education equipment through a democratic and participatory process. The Student for Student grants provide a small exercise in the democratic process that might never be experienced. Through the efforts of a local NGO university students across Iraq participate in identifying and prioritizing their most immediate needs. They come together, discuss the issues and components of the problem or deficiency they face, and then vote on what is most needed. The students are brought together to problem solve collectively with tangible results emanating from the problem solving endeavor in which they engage.

Department of State/INL

• Rule of Law:

- Received CN for transfer of funds from Democracy Building (P/C 60000) to Rule of Law programs (P/C 6500). Therefore expect a signification reduction of INL activities under this Project Code.
- O Judicial Integrity Program Implementer (American Bar Association) received funding (\$5.6 million) and began activities to strengthen the Iraqi judiciary. The first activity was a judicial strategic planning session with the Higher Juridical Council and Iraqi judges to plan the details of the program and to devise strategic objectives for judicial reform.
- Continued support for the Reintegration of Iraq program being implemented by UNDP's Regional Bureau for Arab States (\$3.4 million)

- o Provided additional funds (\$1.8 million) for logistical support of investigation and training activities of the Commission on Public Integrity.
- Hosted the second Rule of Law coordination meeting in Amman for USG and international donors working on Rule of Law in Iraq
- Support to Iraqi Interim and Transitional Government (State DRL)
 - o Continued to support constitutional and political party development, mainly through its grants to NED and work with IRI and NDI
 - Continued to support election assistance and voter education, also mainly through its grants to NED and work with IRI and NDI
 - o Continued to support political polling and survey projects, mainly through its grants to NED and work with IRI and NDI.
- Women's Democracy Initiatives (State DRL & G/IWI):
 - o Conducted training workshops for female political leaders, including those elected to the TNA.
 - Worked to strengthen women's political participation in Iraq with a focus on constitution, to foster an environment in which women are viewed as credible and effective leaders.
 - Implemented a comprehensive package of training activities in several key areas: education for democracy, leadership training, political training, teaching entrepreneurship, coalition building, organizational management and coordination, and media training.
 - o Continued to hold regional meetings and workshops on political participation.
 - Held a five-day training conference in Jordan for 150 female Iraqi leaders from all parts of Iraq, and all religious and ethnic groups.

Accomplishments anticipated in next quarter:

- Support to Iraqi Interim and Transitional Government (DRL)
 - o Will award further grants to support Constitutional and Political Party Development
 - Will conduct periodic follow-up assessments of Constitution and Political Party Development.

USAID

• The Local Governance Program:

- Assess Wassit Province financial decentralization pilot project to determine the degree of success achieved, assess the potential for country-wide application, and conclude the suitability of component for inclusion as a major task for the new Local Governance contract.
- Ocnduct follow up training of the Provincial Councils to include members not originally able to attend or who missed the initial training sessions during the period of the first local governance contract. Content of the 7 module training program covers the following subjects: Role of PC Members, Legal Authority and Responsibilities, By-laws and Parliamentary Procedures, PC Leadership and Committee Structure, Open Meetings, Public Records and Code of Conduct.
- Budgeting and Auditing, Legislative Oversight and Projects. The goal is to train all current, and, future PC members (as vacancies occur). At the request of the PC members training will also be offered on various other responsibilities of council membership. There are 748 PC seats among the 18 governorates.
- Develop partnering relationships with other donors and contractors to consolidate efforts and leverage funding to address mainstream sectoral programs, i.e., BearingPoint's financial management information system (FMIS) project, UK Department For International Development's (DFID) Local Governance Project, and PCO's service delivery activities.
- Organize and hold a conference in July focusing on a comparative analysis of international models of federal government structures including such countries as Mexico, Germany, Spain, and the UAE. These examples will provide a basic knowledge of Federalism and Decentralization needed before local government can effectively participate in constitutional deliberations, negotiations and processes of ratification.

• The CAP:

- o Complete over 300 on going community-based projects, projects supporting income generation, social and economic infrastructure, environmental protection and management, and community participation and mobilization.
- o Initiate new activities by all five CAP implementing partners under the new cooperative agreements, including activities under the Marla Ruzicka Iraqi War Victims Program. These activities will promote direct citizen participation in the rehabilitation and political processes of Iraq, generating income and employment for Iraqis, mitigating and preventing conflict, increasing the capacity of communities associations to advocate with provincial government, and encouraging the participation of women, youth, and other under-represented groups
- Other anticipated accomplishments for CAP are reported under the relevant project codes for potable water, sewerage, electricity, and roads and bridges.

• Support to Iraqi Interim and Transitional Government:

- o Support newly elected government by providing training for Iraqi National Government representatives and official staff.
- o Continue to develop the capacity of national government officials and staff members to conduct constituent outreach.
- Provide assistance to constitutional making process, including support to the constitutional drafting committee. Host a drafting retreat for members of the committee. Host seminars, conferences and/or workshops on possible topics including federalism, gender, and Islam and democracy

• Election Support and Voter Education:

- O Support the institutional capacity development of the Independent Electoral Commission of Iraq (IECI) through ongoing technical assistance to improve and refine the electoral processes that were established for the January 30 elections; to provide technical assistance on the future electoral framework on the constitution and general election laws; and to assist the operational planning of the constitutional referendum and national elections. Continued work with the IECI to prepare for the constitutional referendum and national elections.
- Supported NGOs, Civil Society Organizations, and political parties to play an active role in the constitutional debate. Launch Civic Coalition for Free Elections initiative to include 600 workshops hosted by Iraqi civic groups for 50 to 100 participants.
- Support education activities related to the post-election and Constitution drafting process including media campaigns, printing and mass distribution of brochures and pamphlets.
- o Promote Sunni inclusion in the constitutional drafting process by working with Sunni political and religious leaders

• Civil Society and Media Program:

- O Conduct 175 workshops and trainings in the area of media, civic education, women's advocacy, and human rights. There will be a continued focus in workshops and seminars on the constitutional drafting process. A series of White Papers are being drafted as an integral part of the workshop and seminar series. These reflect the issues, priorities and recommendations from civil society which will be submitted to the Constitutional draft committee directed through specific identified members of the committee as well as other means.
- Produce and broadcast educational public television programming that covers Iraq's constitutional drafting process. These public television programs will run for several months, twice a week, as 45 and 60-minute programs. Anticipated formats include talk shows with studio audiences and panels of experts, traditional news programs on the constitutional drafting process and the key individuals involved, and a quiz show. The effectiveness of the television programs will be assessed and measured through public opinion polls and through a series of talk shows and media outreach to the public.

- O Hold a conference on Iraqi women's rights and the constitution. One focus of the conference will be how to use the Iraqi mass media more effectively to promote women's rights. Twenty producers and editors have been invited to assist women's advocacy NGOs in developing their advocacy campaigns. Over 80 NGOs will be participating.
- Constitution will be held in Erbil. In preparation for this conference, the Civil Society and Media Program anti-corruption team is delivering a series of workshops around the country focusing on the theme of "Promoting a Transparent and Accountable Government". Four Regional Conferences in preparation for the national conference will precede follow these workshops. The conference will produce a White Paper offering solid recommendations for incorporating transparency and accountability mechanisms into the constitutional framework. Conference participants will then submit the White Paper to the constitution drafting committee by mid-July. There are several members and authors of the White Paper who have direct contacts with female members of the constitution drafting committee and will ensure that the recommendations are considered and integrated into the constitutional writing process.
- O Begin distribution of small grants to civil society organizations. These grants are the key instruments for community outreach. They are small projects which are intended to train and inform community members about their constitutional and human rights, about advocacy and democratic principles.

• Transition Initiatives:

- USAID/OTI's continued support across Iraq for short-term employment generation activities in priority locations and strategic cities as a means of mitigating conflict and reducing tension thus serving to stabilize the environment for democracy building activities to take place and have a greater chance of success.
- o Continue to issue high-impact USAID/OTI grants to communities in conflict-prone areas.
- Continue small-scale reconstruction and rehabilitation activities in priority locations and designated strategic cities as a means of mitigating conflict and reducing tension. These activities seize upon critical windows of opportunity to foster confidence in the local legitimate government and its ability to provide redress for the needs of the local community. By eliminating sources of conflict and tension (the lack of essential services and infrastructure being one such source) a more stable environment conducive to democracy building and democracy building activities is being created
- Provide further support to Iraqi nongovernmental organizations that contribute to a
 peaceful transition to democracy, promote civic participation, and build trust between
 the people and the Iraqi government

Department of State/INL

• Rule of Law (INL):

- o American Bar Association (ABA) will conduct judicial trainings and capacity building in the areas of computer literacy and other specific skills necessary to run an effective courtroom. ABA will assist the Higher Juridical Council to build a system for ongoing judicial education and standards for selection and promotion.
- o Continued support to Commission on Public Integrity for anti-corruption investigations, training and capacity building activities.
- Women's Democracy Initiatives (DRL & G/IWI):
 - o Continue renovating a radio station and media production studio.
 - o Continue providing workshops and training for the political participation of women and local capacity building.
 - o Continue working with political parties and civil society organizations in developing concrete, organic strategies for including women in political structures.

United States Institute of Peace (USIP)

Project Code: 07000

| | | FY 2005 by Quarter | | | | | | |
|-------------------|---------|--------------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | 10 | - | - | _ | - | 10 | 6 | 5 |
| Change from April | - | - | - | - | - | - | +2 | +1 |
| July 2005 | 10 | - | - | - | - | 10 | 8 | 6 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: U.S. Institute of Peace

Changes from the April Report: This report maintains the \$10 million allocation for USIP.

Accomplishments since the April Report:

- Provided expertise to members of Iraq's Transitional National Assembly (TNA)
 Constitutional Committee (including the Chairman) on developing a public education and
 consultation strategy and on the utility of comparative constitutional models in formulating
 Iraq's constitutional process. The Institute cooperated in this effort with the United Nations
 and also sought to identify new requirements with which the UN and USIP can assist to the
 Iraqis.
- Facilitated the first consultations in Baghdad between international experts and the TNA Constitutional Committee as part of the United Nations International Assistance program to the constitutional process.

- Published, translated, and distributed to all 275 members of the TNA the USIP Special Report on Iraq's constitutional process as well as a collection of approximately 30 other documents on comparative constitutional processes.
- Funded and supported a workshop led by a USIP-trained Iraqi facilitator for officials in Kirkuk to improve the local government's ability to promote peace and reconciliation in the community (the final of a total of 3 such workshops in Kirkuk). This program now continues on a regular basis with local funding.
- Provided training for 86 participants, including 20 women, through two sessions of the
 Strategic Economic Needs and Security Exercise (SENSE) conflict management and
 economic reform simulation in Amman. Participants were Iraqi ministry officials, university,
 civil society, private sector, and representatives from international organizations as well as
 Iraqi SENSE staff who received training in order to run the simulation, setting in place the
 Institute's nearly complete transfer of SENSE to Iraq, where it will be most accessible.
- Provided funding to the Iraqi Institute of Peace to organize a series of conferences on the
 constitutional process in Sunni regions and a national conference in Baghdad. The national
 conference brought together more than 700 Sunni Arab civil, religious, and tribal leaders
 from throughout Iraq and identified a group of leaders to engage in negotiations with the
 TNA on Sunni inclusion in the constitutional process.
- Supported operations of the University of Baghdad unit for conflict management devoted to developing research and practice in conflict resolution, inter-religious and inter-ethnic dialogue, including equipment purchases and education material collection.
- Awarded grants to local Iraqi civil society organizations for a variety of purposes, including: capacity building training to foster closer relationships between Kurdish NGOs and their counterparts in southern and central Iraq; a workshop for 25 women (including members of the Iraqi parliament, cabinet, and TNA Constitutional Committee) that focused on women's role in the constitutional drafting process; the establishment and publication of the second double issue of a monthly newspaper supplement that focused on constitutional issues and promoting public debate; and, distribution of a monthly 70-page Arabic language journal to address conflicting narratives about Iraq's social and political transformation complimented by discussion groups and monographs on the Iraqi press, political parties and constitution.
- Funded and supported a workshop in Baghdad led by a USIP-trained Iraqi facilitator for representatives from political parties, academia, NGOs, and local citizens to explain the process of government negotiations and address the lack of understanding of the delay in forming government, seeking ways to lessen the ethnic tensions that have been exacerbated due to the delay.
- Convened public meetings in Washington, DC with expert presentations on lessons learned on security, governance and reconstruction in Iraq and Afghanistan; defeating the insurgency in Iraq (following publication of USIP Special Report on same topic); and the lessons for American foreign policy from the Iraq experience.
- Senior Fellow Phebe Marr traveled to Baghdad and Basrah to meet with Iraq's emerging government and civil society leaders and interviewed them on issues related to identity and political objectives. She will prepare the first major study of the new generation of Iraqi

leadership and its views on critical issues.

Accomplishments anticipated in the next quarter:

- Publish expert studies of how Iraq's neighbors can help or hinder the country's efforts to stabilize and reconstruct.
- Complete the transfer of the SENSE conflict management and economic reform simulation to Iraq by conducting a session in Baghdad led by Iraqi facilitators.
- Assist in building capacity of Iraq's education sector by convening a workshop (in coordination with the USIP-sponsored conflict resolution unit at the University of Baghdad) for Iraqi University faculty and administrators on conflict resolution, peace education, curriculum development and small organization management strategies.
- Continue to assist the Iraqi TNA Constitutional Committee and other key political, legal and civil society figures in the design and implementation of the constitution-making process and encourage broad-based public education on and public participation in the constitutional process, in order to enhance its legitimacy.
- Complete production of an hour-long Arabic-language documentary on the truth and reconciliation processes of several countries for presentation on Iraqi television and on various community programs.
- Continue to support the inter-religious work of the Iraqi Institute of Peace, including conflict management, inter-faith dialogue, and Sunni outreach activities.
- Publish and translate into Arabic USIP Special Reports on reforming Iraq's education sector and Iraq's emerging leadership.

SECTOR: Electrical

Iraq's nameplate electrical generation capacity is 10,300 megawatt (MW), but the feasible capacity is approximately 6,800 MW. There are a number of factors that de-rate generation units including increased ambient temperature, nonstandard operating practices, inadequate controls, inadequate maintenance, and sub-optimal fuels. As of mid-June, daily average output is only about 4,500 MW, with peaks reaching above 5,000 MW. The inability to achieve production figures closer to feasible capacity is due to diesel and natural gas fuel shortages, poor quality of available fuels, insurgent attacks, sabotage, insufficient operations and maintenance, and other related factors. These issues are being addressed through IRMO's Summer Electricity Action Plan, weekly fuels meetings, and an aggressive Operations & Maintenance (O&M) strategy being implemented in the Ministry of Electricity (ME).). The most critical problem, this summer and beyond, is reoccurring attacks on energy infrastructure, particularly pipeline interdictions that disrupt fuel supplies to power plants, and sabotage to the transmission network limits the amount of generated electricity that reaches the Iraqi people.

With summer demand expected to be near 8,500 MW, the Summer Electricity Action Plan is being implemented to improve and maintain reliable generation capacity. In addition, IRMO is assisting the Ministry of Electricity in the development and implementation of a summer media campaign for Iraqi citizens, which began June 1. The public service announcements aim to promote realistic expectations, ask Iraqis for help in protecting infrastructure by reporting saboteurs, and provide education on projects and improvements.

This quarter, the primary focus was implementation of the six point Summer Electricity Action Plan, designed to coordinate efforts of the ME, PCO, USAID, UK Department For International Development (DFID), and USACE, and achieving sustainable power generation levels of approximately 5,500 MW in time to help meet elevated summer demand. The six points of the Summer Electricity Plan include: (1) various projects in generation, transmission and distribution; (2) O&M and capacity building programs; (3) management of fuel supply; (4) import of power; (5) infrastructure security concerns; and, (6) various coordination activities.

The availability of appropriate fuels remains the highest priority under the Summer Electricity Action Plan. Insufficient natural gas and diesel fuel is a problem for most gas turbine generation facilities, threatening their reliable operation and output. Burning heavy fuel oil and crude oil in these sensitive machines reduces net output and operable life and requires excessively frequent maintenance outages. Unfortunately, Iraq has not yet rehabilitated or expanded its infrastructure to capture all of the available natural gas, nor can its refineries produce enough diesel fuel to meet the escalating demand by power plants and consumers. To address this problem, IRMO has facilitated regular meetings between the Ministries of Oil and Electricity to coordinate on fuel issues.

IRMO Electricity and Oil meet weekly with the ME and Ministry of Oil (MoO) Working Group to develop agreements for domestic natural gas and diesel supplies for power generation, as well as to track the allocation of 3.5 million liters per day of diesel for power generation,. Beginning in April, meetings between the Interim Iraqi Government (IIG), Deputy Prime Minister (DPM) and the Ministries of Oil, Electricity, and Finance resulted in two releases of \$50 million each for a total of \$100 million to increase diesel imports specifically to generate summer power. However, the MoO has experienced difficulty in modifying existing contracts with Turkey and Kuwait due to high accounts payable balances and, in the case of Kuwait, a lack of sufficient quantities of product. Therefore, the first increased diesel imports for electricity will arrive no

sooner than the second half of July, lasting three months. If accounts payable balances can be significantly reduced and new contracts favorably negotiated with Turkey, the \$50 million monthly expenditure will assist in purchasing 1-1.5 Million liters per day (ML/D) of diesel fuel. Another challenge will be the logistics associated with delivery and storage of this additional diesel, and the MoO and ME are working to resolve logistical problems.

O&M and Capacity Building Programs

Recognizing the need for O&M capacity building, IRMO, PCO and USAID have executed a number of short-term and long-term O&M programs:

- 1. **USAID O&M Program** initiated in February 2005 includes the training of 239 Ministry employees, introduction of ME O&M Tiger Teams to assist plant managers, procurement of a significant number of spare parts, and provision of maintenance on a number of existing generating units. This project is approximately 85% complete. (\$118 million)
- 2. **PCO O&M Program Phase I** began in June, includes a six month "Bridge Strategy," and a one-year on-the-job training program using "Regional Expert" Contractors. (\$103 million)
- 3. **USAID Phase I & II Capacity Development Program** with the ME to enhance financial management and budgeting systems, develop new tariffs, enhance billing and metering, develop regulatory expertise, consult key staff on private investment participation, review human resource organizational options, and other business management activities.
- 4. **PCO Emergency Spare Parts Program** started in January to help the Ministry identify and purchase critical spare parts particularly, those with long lead times for approximately 11 power plants. The funds are 80% allocated. (\$35 million, P/C 40000)
- 5. **PCO O&M Phase II** will obligate \$30 million under P/C 40000 to compliment Phase I (2). The project will help repair and replace key components at power plants to keep systems operating efficiently as well as implement critical preventative maintenance. This will target approximately eight power plants.
- 6. **Project Phoenix Phase III** will obligate \$65 million through PCO/USAID from project code 40000 to be used for generation rehabilitation projects designed to restore up to 300 MW on the system, complete existing projects, and projects that allow for fuel diversity. This project will target approximately 6 power plants with the goal of completing and positively impacting the peak winter demand of 2005/2006.

Tiger Teams, consisting of engineers, technicians and plant managers, supported by PCO engineers will man key power plant sites over the course of the summer months to improve efficiency and reliability of the poorly performing thermal power stations. For the longer term, the IRRF O&M strategy of using regional O&M contractors for technical assistance should be awarded in September. Other initiatives currently being discussed with the ME include the identification of critical operational needs, needed system planning and development tools, and a large-scale system control and protection project to assist in maintaining system stability.

Finally, security continues to be a destabilizing factor leading to project delays and cost overruns. For example, current military activity in the Haditha area and near the Syrian border has delayed the complete mobilization of the Haditha–Qaim overhead line and the Bayji–Haditha overhead line. The mobilization of these lines has been delayed by two months until July.

Generation

Project Code: 40000

| | | FY 2005 by Quarter | | | | | | |
|-------------------|---------|--------------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | 1,870 | -202 | -87 | 6 | 1 | 1,588 | 1,470 | 643 |
| Change from April | - | | 1 | +10 | | - | -143 | +163 |
| July 2005 | 1,870 | -202 | -87 | +16 | | 1,598 | 1,327 | 806 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: Department of Defense/PCO and USAID.

Changes from the April Report: This report reflects a previous notified increase of \$10.1 million from Other Solid Waste Management (PC 63000) for the completion of the Kirkuk (Taza) Power Plant, transfers \$50 million from USAID (from cancellation of Mansuria notified in the April, 2005 2207 report) to PCO to implement a \$103 million O&M Project, and descopes Koya Generation Project from \$50 million to \$3 million and re-allocates funds for the completion of other existing generation projects including Doura, O&M, and Project Phoenix.

Accomplishments since the April Report:

PCO

- Finalized negotiations and the construction contract for the Khor Al Zubayr new generation project, which is now 43% physically complete, including the major civil works. The 60% designs were completed and are under review. Two GE Frame 9E gas turbines were placed in their final positions. The facility will add 230 de-rated MW of new generation with the capacity to serve about 208,000 Iraqi homes by the winter peak demand.
- Completed all work on the Bayji Gas Combustion Turbine Units 3 and 4 and turned over to the Ministry of Electricity. The units add 280 de-rated MW of new power with the capacity to service approximately 253,000 Iraqi homes, subject to the availability of suitable fuel.
- Completed the majority of work on Project Phoenix I, thereby adding or restoring over 400 de-rated MW with the capacity to service approximately 62,000 Iraqi homes, subject to availability of fuel. Work was completed at the Bayji Mobiles, PetroChem, Shuaiba, and Buzurgan sites and continues at the Nasiriyah and Qudas sites. Refurbished the Mosul East units in Norway and shipped the first two units to the site. Due to security issues at Mosul East, IRMO and PCO are planning to use Ministry personnel to complete the installation of the units. Qudas Unit 3 was placed on the grid and is producing 90 de-rated MW.
- The Koya Refinery New Generation project was de-scoped to complete higher priority generation projects in line with our approach to keep systems up and running. Additional funds have been added to the O&M and capacity building programs as well as to fund the East Baghdad Oil Field Backup Generation Project, which will increase the crude oil production for use at the Qudas Power Plant.

- Funded a \$35 million Emergency Spare Parts Program to procure Ministry-identified critical spare parts, in particular those with long lead times. Spare parts are now being procured directly from vendors. Allocated 80% of the funding to date to purchase specific parts. [
- Funded Project Phoenix II and a final contract modification is in progress. This work will restore 80 MW and includes the completion of three GE Frame-5 units at PetroChem and one unit at Shauiba. In addition, it includes completing a borescope inspection of one large gas turbine unit at Bayji to determine if it will be available during the summer, and repair of a mobile unit at Bayji.
- Finalized and issued the Request For Proposal to solicit bids for the Operations and Maintenance (O&M) Program. This program will place six US-trained Ministry Tiger Teams to provide support to the plants over the summer peak period. A six-month 'Bridge Plan' will lead and mentor these teams using a combination of ex-patriots and local experts to increase plant reliability over the critical summer months.

USAID

- Completed testing and achieved first fire on one new 108 MW turbine at Baghdad South power plant.
- Completed rehabilitation of Turbines 5 & 6 at Doura Thermal Plant Phase I and put these turbines on turning gear. The units are waiting to be commissioned under Doura Thermal Plant Phase II. The delay in commissioning requires the Balance of Plant work to be performed by the ME and coordinated with Bechtel (Phase II) and Siemens Babcock Borsig (ME contract). Additional funds are being reserved under Project Phoenix Phase III.
- Initiated a new project at Doura Thermal Plant Phase 2 to provide technical and planning advice to ME personnel regarding commissioning, boiler rehabilitation, and balance of plant (BOP) work. The objective is to commission unit 5 in December and unit 6 in March 2006.
- Completed the training of 239 Ministry power plant employees under an O&M training program. This completes a portion of the activities under this O&M Project. Overall, the project is 85% complete.

Accomplishments anticipated in the next quarter:

PCO

- Complete the Khor Al Zubayr New Generation Project engineering designs; procure and install the 132 kV and 400 kV switchyard and other major equipment; and install, test and commission certain plant mechanical systems.
- Continue the rehabilitation and commissioning of the remaining Project Phoenix I units at Nassriya, Qudas and Mosul East, and start the rehabilitation of Phoenix II units.
- Start Project Phoenix III, the scope of which will focus on a gas turbine unit at Bayji (90 MW) and depend on the ongoing borescope inspections.

- Order the remaining critical spare parts required to restore generating capacity throughout Iraq under Emergency Spare Parts Program begun in January 2005.. We are working with the Ministry of Electricity to identify the key parts at power plants to keep systems running and to sustain the critical preventative maintenance efforts.
- Assess the condition of the Bayji Power Station's gas combustion turbines 1 and 2 to determine the units' sustainability and recommend a course of action.
- Continue the O&M Bridge Plan, and solicit and award the long-range O&M program to a regional contractor or contractors to form a central engineering group for technical assistance to the ME.

USAID

• Added 216 MW of new (rated) generating capacity to Iraq's grid by completing the commissioning of two new units at Baghdad South.

Transmission

Project Code: 41000

| | | FY 2005 by Quarter | | | | | | |
|-------------------|---------|--------------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | 783 | -96 | 227 | 250 | 1 | 1260 | 613 | 177 |
| Change from April | - | - | - | - | - | - | -159 | +48 |
| July 2005 | 783 | -96 | 227 | 250 | - | 1260 | 454 | 225 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: Department of Defense/PCO

Changes from April report: This report maintains the \$1,260 million allocation for transmission projects

Accomplishments since the April Report:

• Started construction of projects in the following task orders:

| | 3 rd Quarter FY 2005 Project Starts | | | | | | | | |
|---------------|--|--------------------|------------------|--------------------|----------------------|------------------|-----|--------------------------|--|
| Task Order | Description | Governorate | TO Start Date | Completion Date | % Complete (6/30/05) | # of pr Total | 3 | task order Complete * | |
| ET-012 | Baghdad West, Washbash, and Taji Substations | Baghdad | 12/22/04 | 01/14/06 | 40% | 3 | 3/3 | 0/0 | |
| ET-014 | Baghdad East and Akarkuf Substation Rehabilitation | Baghdad, Diyala | 04/08/05 | 10/19/05 | 50% | 2 | 2/2 | 0/0 | |

NOTE: Starts: Total Starts/Starts in Quarter
Completes: Total Completes/Completes in Quarter

• Delayed the Al Basrah 132 kV, Al Anbar 400/132kV and Umm Qasr 132 kV substation rehabilitations to allow the tendering of these through the Direct Contracting Initiative (DCI), thereby achieving best investment value while reducing the risk of financial overrun. It is

expected that the international firm-fixed priced solicitation acquisition method will reduce costs and schedule.

- Delayed work on the Bayji-Haditha 400 kV overhead transmission line (OHL) due to award issues with the prime subcontractor. The contractor has completed the design and most of the procurements. This project involves the construction of 159 km of high-tension line from the Haditha Hydro Power Station and is a critical contingency link in the transmission grid to transfer power from the North to the Middle Region. Commence work at both ends of the line simultaneously to recover the schedule.
- Prepared the bid packages and advertised the following DCI projects:
 - o Rasheed GIS 400 kV substation rehabilitation
 - o 15 32 kV substations rehabilitations in Basrah
 - o 132 kV pumping station in Anbar
 - o Hartha to Khor No. 2 400 kV OHL rehabilitation
 - o 400 kV substation in Al Qaim
 - o Mosul 400 kV substation extension
 - o Um Qasr 132 kV substation rehabilitation
 - o Khor Al Zubayer 400 kV substation extension
 - o Hartha to Nassriya 400 kV OHL
- Completed preliminary construction activities, i.e. mobilization, technical surveys, and procurements, for the Haditha-Qaim 400kV overhead line (OHL). Security issues continue to be a destabilizing factor and have prevented the complete mobilization of the contractor's work force, thereby delaying the construction start to mid-summer.
- Awarded the Fallujah 132 kV substation rehabilitation project. Construction is scheduled to start in August and to be completed in April 2006.
- Completed the scope of work and advertised the request for proposal for the Mosul substation, which will provide a key connection for Turkish imported power.
- Completed the site assessments and preliminary designs for Baghdad North, South, East and West 400 kV substations extensions. Finalized contract negotiations and completed the contracts.
- Trained a total of 30 Ministry personnel (20 in Sweden and 10 at Dubai's Arva's Training Center) to operate and set high tech system protection equipment for the Al Ameen 400 kV substation, which was completed and turned over to the Ministry last quarter.

- Initiated the detailed modeling of Iraq's electrical transmission network using Power System Simulator and Engineering software (PSS/E). This will enable the Ministry to plan, modify and improve the existing network to reduce losses and enhance transmission efficiency of the network. Conducted training courses for ME engineers in planning procedures and use of the modeling software.
- Initiated comprehensive review of the 400 kV and 132 kV transmission network contingencies and capacities for Iraq. Studies are to be used to verify the present system rating and prioritize the execution of future transmission projects.

Accomplishments anticipated in the next quarter:

• Continue to advance the projects under construction, start 21 projects, and complete one project. Project starts and completions anticipated next quarter are:

| | Anticipated 4th Quarter FY 2005 Project Status | | | | | | | | | |
|--------|--|-----------------|----------|------------|------------|---------|-------------|------------|--|--|
| Task | Description | Governorat | TO Start | Completion | % Complete | # of pr | ojects in t | ask order | | |
| Order | Description | e | Date | Date | (9/30/05) | Total | Starts | Complete * | | |
| ET-004 | Mosul S/S Rehab. | Ninewa | 09/22/05 | 01/19/06 | 6% | 1 | 1/1 | 0/0 | | |
| ET-008 | Haditha-Qaim 400kV OHL | Al Anbar | 07/07/05 | 10/22/05 | 60% | 1 | 1/1 | 1/1 | | |
| ET-009 | Rasheed 400kV S/S Rehab | Baghdad | 09/22/05 | 07/02/06 | 2% | 1 | 1/1 | 0/0 | | |
| ET-011 | Bayji-Haditha 400kV OHL | Salah ad Din | 07/16/05 | 12/03/05 | 70% | 1 | 1/1 | 0/0 | | |
| ET-012 | Baghdad West et.al. | Baghdad | 12/22/04 | 12/09/06 | 50% | 3 | 3/0 | 1/1 | | |
| | | _ | | | | | | | | |
| ET-015 | Al Anbar - Ten 132 kV S/S Rehabs | Al Basrah | 09/22/05 | 06/13/06 | 3% | 10 | 10/10 | 0/0 | | |
| ET-019 | Fallujah and Al Anbar 132kV S/S Rehab. | Al Anbar | 08/09/05 | 04/19/06 | 25% | 2 | 2/2 | 0/0 | | |
| ET-033 | Mosul Gas/Mosul East 132kV OHL | Ninewa | 09/22/05 | 06/18/06 | 3% | 1 | 1/1 | 0/0 | | |
| ET-036 | CPS 7 and 10-132 kV S/S Rehab | Al Basrah | 09/22/05 | 05/19/06 | 2% | 2 | 2/2 | 0/0 | | |
| ET-041 | CPS 1-132kV S/S Rehab | Al Basrah | 09/22/05 | 05/19/06 | 2% | 1 | 1/1 | 0/0 | | |
| ET-045 | Jameela, et. al. 132kV S/S Ext. | Baghdad | 09/22/05 | 02/18/06 | 4% | 1 | 1/1 | 0/0 | | |

NOTE: Starts: Total Starts/Starts in Quarter Completes: Total Completes/Completes in Quarter

Distribution Network Infrastructure Project Code: 42000

| | | FY 2005 by Quarter | | | | | | |
|-------------------|---------|--------------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | 987 | 170 | 132 | - | - | 1,290 | | • |
| Change from April | - | - | - | - | -1- | -1 | +176 | +99 |
| July 2005 | 987 | 170 | 132 | - | -1- | 1,289 | 761 | 169 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: Department of Defense/PCO and USAID.

Changes from April report: This report notifies Congress of the Administration's intent to decrease by \$500,000 for distribution network infrastructure and re-allocate it to Project Code

06000, Democracy-Building Activities, to support additional funding for IRI/NDI's work on developing campaign skills and group participation.

Accomplishments since the April Report:

PCO

• Continued to advance the projects currently under construction, started 46 projects and completed 35. Additional project status information is listed below:

| | 3rd Quarter FY 2005 Project Status | | | | | | | | | |
|---------------|---|-----------------------|------------------|--------------------------|----------------------|------------------|---------------------|--------------------------|--|--|
| Task Order | Description | Governorate | TO Start Date | Completion Date of TO | % Complete (6/30/05) | # of pr Total | ojects in Starts | task order Complete * | | |
| ED-005 | Diyala Distribution Network | Diyala | 12/27/04 | 09/24/05 | 47% | 7 | 5/2 | 0/0 | | |
| ED-008 | Erbil Distribution Network | Erbil | 09/22/04 | 11/28/05 | 35% | 14 | 8/2 | 0/0 | | |
| ED-009 | Ninawa Distribution Network | Ninawa | 03/07/05 | 08/28/06 | 30% | 11 | 1/1 | 0/0 | | |
| ED-011 | Sulaymaniyah Distribution Network | Sulaymaniyah | 05/04/05 | 03/19/06 | 15% | 3 | 3/1 | 0/0 | | |
| ED-013 | Al Tameen Distribution Network | Al Tameen | 05/22/05 | 02/10/06 | 20% | 4 | 1/1 | 0/0 | | |
| ED-016 | Babil Distribution Network | Babil | 01/09/05 | 11/15/05 | 40% | 8 | 7/4 | 0/0 | | |
| ED-022 | Najaf Distribution Network | An Najaf | 04/29/05 | 02/25/06 | 10% | 3 | 3/3 | 0/0 | | |
| ED-024 | Thi Qar Distribution Network | Thi Qar | 04/01/05 | 01/19/05 | 10% | 3 | 3/3 | 0/0 | | |
| ED-028 | Baghdad Feeder Cables | Baghdad | 07/8/04 | 10/17/05 | 75% | 19 | 16/4 | 14/7 | | |
| ED-031 | Fallujah Residential Power | Al Anbar | 03/06/05 | 12/05/05 | 65% | 9 | 6/4 | 4/4 | | |
| ED-200 | Local Distribution Network - North | Northern, Multiple | 01/27/05 | 03/09/06 | 15% | 29 | 7/4 | 2/2 | | |
| ED-400 | Local Distribution Network – Central | Central, Multiple | 11/20/04 | 07/28/06 | 30% | 47 | 23/5 | 18/10 | | |
| ED-500 | Local Distribution Network – Baghdad | Baghdad | 02/01/05 | 12/08/05 | 25% | 23 | 14/7 | 6/5 | | |

NOTE: Starts: Total Starts/Starts in Quarter
Completes: Total Completes/Completes in Quarter

- Delayed Babil and Basrah Distribution Network projects due to issues with concrete quality in buildings on the scheduled critical paths. Quality issues have been resolved and the contractor has increased staff to recover lost time.
- Delayed two projects in the Wassit Distribution Network due to site title issues. Alternative sites, with clear titles, have been located and the contractor has resumed work.
- Conducted O&M training for eight Ministry engineers at the Siemens facilities in Turkey in O&M procedures for the Babil substations, and ten Ministry engineers at the Renco facility in Italy for the Basrah substations.

USAID

• Turned over 12 of the 37 Baghdad distribution substations scheduled for rehabilitation to the ME for actual construction, at their request. Delivered equipment and designs for 10 sites.

Purchased equipment and designs for 10 sites and delivered to the Ministry. The hijacking of three trucks delivering equipment has delayed equipment turnover on the final two sites. The equipment has been re-ordered. Of the remaining 25 projects, construction was initiated at 24. Access to the last site could not be achieved because of security. However, the ME has provided an acceptable alternative site, which is now undergoing demolition in preparation for construction.

- Changed the top priority, at the ME's request, to completing the energizing of eight critical substations to help meet the summer peak demand. All eight are on schedule to be successfully energized by June 30, plus one non-critical site, Tarmiya.
- Completed a cumulative total of over \$2.5 million electrical sector projects since the beginning of the CAP program in May 2003. This is nearly 50% of the total funds dedicated to this CAP project code. Sample projects include providing electrical generators in Basrah, rehabilitating electrical infrastructure at Umm Qasr, and installing transformers and network wiring in Babil.

Accomplishments anticipated in the next quarter:

PCO

• Continue to advance the projects under construction, start 136 new projects, and complete 60. Additional project status information listed below:

| | An | ticipated 4th | Quarter FY | 2005 Projec | t Status | | | |
|--------|---------------------------------------|-----------------------|------------|-------------|------------|---------|-------------|------------|
| Task | Description | Governorate | TO Start | Completion | % Complete | # of pr | ojects in t | task order |
| Order | _ | | Date | Date of TO | (6/30/05) | Total | Starts | Complete * |
| ED-005 | Diyala Distribution Network | Diyala | 12/27/04 | 09/24/05 | 95% | 7 | 7/0 | 6/6 |
| ED-006 | Wassit Distribution Network | Wassit | 12/27/05 | 09/21/05 | 85% | 8 | 8/8 | 8/8 |
| ED-008 | Erbil Distribution Network | Erbil | 09/22/04 | 11/28/05 | 60% | 14 | 13/5 | 5/5 |
| ED-009 | Ninawa Distribution Network | Ninawa | 03/07/05 | 08/28/06 | 60% | 11 | 7/6 | 5/1 |
| ED-010 | Salah Al Din Distribution Network | Salah Al Din | 02/2105 | 12/08/05 | 40% | 6 | 6/4 | 0/0 |
| ED-013 | Al Tameen Distribution Network | Al Tameen | 05/22/05 | 02/10/06 | 35% | 4 | 2/1 | 0/0 |
| ED-015 | Al Anbar Substations and Feeders | Al Anbar | 07/12/05 | 03/21/06 | 25% | 4 | 4/4 | 0/0 |
| ED-016 | Babil Distribution Network | Babil | 01/09/05 | 11/15/05 | 70% | 8 | 8/1 | 4/4 |
| ED-017 | Basrah Distribution Network | Al Basrah | 11/29/04 | 0723/05 | 85% | 5 | 5/0 | 5/5 |
| ED-028 | Baghdad Feeder Cables | Baghdad | 07/08/04 | 10/17/05 | 90% | 19 | 19/1 | 18/3 |
| ED-031 | Fallujah Residential Power | Al Anbar | 03/06/05 | 12/05/05 | 80% | 9 | 9/3 | 6/1 |
| ED-200 | Local Distribution Network - North | Northern, Multiple | 01/27/05 | 03/09/06 | 30% | 29 | 15/8 | 7/6 |
| ED-300 | Local Distribution Network - South | Southern, Multiple | 01/11/05 | 05/23/06 | 20% | 47 | 23/20 | 2/1 |
| ED-400 | Local Distribution Network – Central | Central, Multiple | 11/20/04 | 07/28/06 | 65% | 46 | 33/10 | 20/5 |
| ED-500 | Local Distribution Network – Baghdad | Baghdad | 02/01/05 | 12/08/05 | 60% | 23 | 23/9 | 15/10 |
| ED-600 | Sadr City | Baghdad | 07/13/05 | 08/05/06 | 20% | 69 | 19/19 | 7/7 |
| ED-601 | Najaf City Distribution Network | An Najaf | 09/04/05 | 12/03/05 | 25% | 30 | 30/30 | 0/0 |

NOTE: Starts: Total Starts/Starts in Quarter;
Completes: Total Completes/Completes in Quarter

• Continue the training of Ministry personnel in O&M of the new substations currently under construction.

USAID

• Complete the rebuilding of 16 distribution substations in Baghdad. Note: Some substation sites are staged to facilitate a partial early energizing

| | Rusafa District | Karkh District |
|-----------|--|---|
| July | | Sab Al Bor (Summer Site) Tib Al Baytari (Stage 1 Summer Site) Hassan Bin Al Haythem (Stage 1) |
| August | Arasat (Stage 1) Jadiria (Stage 2 Summer Site) Asbest (Stage 2 Summer Site) Hammad Shihub | Tib Al Baytari (Stage 2 Summer Site) Doura Al Tawesea Aweerj (Stage 2 Summer Site) |
| September | Asbest (Stage 2) Obaydi Kulia Al Fania (Stage 2 Summer Site) Rekheta Arasat (Stage 2) Rashid Camp | Hassan Bin Al Haythem (Stage 2) |

• Continue with \$2.3 million in electrical sector projects currently in-progress under the CAP. Sample projects include extending the electrical network to a small town in the Al-Muthanna Governorate and connecting Hilla's main water treatment station to an emergency electrical grid.

Automated Monitoring and Control System Project Code: 43000

| | | FY 2005 by Quarter | | | | | | |
|-------------------|---------|--------------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | 150 | -53 | 30 | - | - | 127 | 93 | 5 |
| Change from April | - | - | - | - | - | - | - | +2 |
| July 2005 | 150 | -53 | 30 | - | - | 127 | 93 | 7 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: Department of Defense/PCO.

Changes from the April Report: This report maintains the \$127 million allocation for the automated monitoring and control system.

Accomplishments since the April Report:

• Continued the detailed designs started late last quarter and continued the procurements of the Supervisory Control and Data Acquisition (SCADA), Remote Terminal Unit (RTU), Power Line Carrier (PLC) and wireless equipment. The detailed designs are now 40% complete.

• Initiated the manufacturing of the SCADA, RTU, PLC and wireless equipment and integration of the SCADA for the northern region. The manufacturing is 5% complete.

Accomplishments anticipated in the next quarter:

- Complete the 60% detailed designs and the manufacturing and procurements of the SCADA. Continue the manufacturing of the RTUs, PLCs and wireless equipment.
- Award the subcontracts for the construction work.
- Start the construction of the Northwest Regional Control Center.
- Assemble the SCADA system and conduct the offsite acceptance testing.
- Start the equipment shipments to Iraq.
- Scheduled completion of project is October 2006.

Security

Project Code: 45000

| | | FY 2005 by Quarter | | | | | | |
|-------------------|---------|--------------------|----------|-----------------|-----------------|--------|-----------------|----------|
| 2207 Report | FY 2004 | 1 st | 2nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | 50 | 1 | _ | 3 | 7 | 1 0ta1 | 12 | 12 |
| Change from April | 30 | | | -0 | | 44 | <u>43</u> ⊥1 | 43 |
| July 2005 | 50 | | | -6 | | 44 | 44 | 43 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: Department of Defense/PCO.

Changes since the April Report: This report maintains the \$44 million allocation for security.

Accomplishments since the April Report:

• There are no further activities in this project code.

Accomplishments anticipated in the next quarter:

• There are no further activities in this project code.

SECTOR: Oil Infrastructure

Crude oil production and exports remain essentially unchanged from the last quarter, at about 2.1 and 1.4 million barrels per day (bpd) respectively. Production has stabilized despite continuing restrictions on the Ministry of Oil's (MoO) investment program and insurgent attacks.

| Crude Oil Production & Exports | | | | | | | | | |
|-----------------------------------|-------|-------|------------------|--|--|--|--|--|--|
| Millions of barrels per day (bpd) | April | May | June - estimated | | | | | | |
| Crude Production | 2.13 | 2.12 | 2.1 | | | | | | |
| Crude Exports | 1.426 | 1.378 | 1.4 | | | | | | |

Attacks on the northern crude pipelines have reduced production by approximately 300,000 bpd impeding the export of crude oil via Turkey and reducing the shipment of crude from Kirkuk to the Bayji and Doura (Baghdad) refineries.

Production problems associated with the southern oil fields are due primarily to years of neglect and a lack of investment, maintenance and inadequate water injection rates. The oil production and water injection facilities are plagued by fuel, power and water supply disruptions as a result of the aging and poorly maintained infrastructure.

Strong product demand coupled with limited refinery capacity is requiring Iraq to import 80% of its liquefied petroleum gas (LPG), 74% of its gasoline, 49% of its kerosene, and 46% of its diesel needs on an average daily basis. Furthermore, slow procurement of equipment and lack of vendor responsiveness are occurring because of tight supplies related to the booming construction activities in oil and gas worldwide, as a result of very high oil prices.

KBR has made numerous improvements to the Monthly Cost Report, thereby satisfactorily addressing most of the issues PCO raised in the Cure Notice it issued to KBR in January. KBR is continuing efforts to close the remaining gaps. PCO awarded six southern Task Orders for former KBR projects to the northern design build (DB) contractor, Parsons Iraq Joint Venture (PIJV). PIJV has mobilized resources to the south and the facilities assessments, to define the scope of work, have been completed. Project Scope and Status Report (PSSR) packages will be complete on all projects by mid-July.

Oil Infrastructure Project Code: 50000

| \$ millions | | FY | 2005 b | y Quar | rter | | | |
|-------------------|---------|-----------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | 1,200 | 450 | 47 | - | - | 1,697 | 979 | 217 |
| Change from April | - | - | - | - | - | | +121 | +126 |
| July 2005 | 1,200 | 450 | 47 | - | - | 1,697 | 1100 | 343 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: Department of Defense/PCO and the USACE.

Changes from the April Report: This report maintains the \$1,697 million allocation for oil infrastructure projects.

Accomplishments since the April Report:

- Construction mobilization for the \$66 million pipeline crossing of the Tigris River at Al Fathah and Kirkuk Canal began on June 24.
- Awarded the Al Basrah Oil Terminal (ABOT) project to PIJV. Additional funding for the ABOT had to be identified by the IRMO Senior Consultant, the MoO and PCO Oil due to the ABOT's deteriorating condition and a higher than expected project cost. Agreement on the target price, scope and schedule was accomplished mid-June.
- South Gas Company (SGC) work crews have started pre-construction activities at the three
 natural gas liquids/liquefied petroleum gas (NGL/LPG) plant sites with construction
 scheduled for completion in September 2006, thereby increasing the capacity of Iraq
 NGL/LPG facilities from the current 1,200 metric tons/day to 3,000 metric tons/day as well
 as supplying additional 400-500 million standard cubic feet per day of dry natural gas to the
 pipeline system.
- Restored grid power to cluster pump station 5 (CPS-5), thereby enabling the commissioning of the station. This will lead to close out of the \$26 million Qarmat Ali 75% Capacity Expansion Task Order.
- Started repairs of two Gas Turbine Generators (GT 1 and GT 2) for the North Gas Company. GT 2 will be complete by the end of June. GT 1 is scheduled to be complete in July.
- Closed-out a Rebuilding Iraqi Oil (RIO) contract by returning rented GE generators and buying-out the Tamimi air compressors.
- Completed security lighting and the commissioning of 11 KV switchgear, and the Bai Hassan North gas-oil separation plant (GOSP) projects in the Kirkuk area of northern Iraq.
- Completed 91% of the heavy equipment and vehicle purchases. Over 50% of the equipment
 has been delivered to final destinations and the bulk of the remaining equipment is scheduled
 for delivery by December. Operations and maintenance (O&M) training seminars are being
 scheduled at Khor az-Zubayr for the State Operating Companies who will be responsible for
 the equipment.
- Contract issued for 3-D seismic equipment to replace unserviceable equipment required by the Iraq Oil Exploration Company (OEC).
- After conducting two successful pipeline repairs this quarter, MNF-I and IRMO (Oil) began transferring the responsibilities of Emergency Response Pipeline Repair Organization (ERPRO) to the ITG, with the process scheduled for completion by the end of June. The plan is to terminate IRMO (Oil)'s ERPRO contracts with the two Iraqi pipeline repair companies and for the Iraqi government to assume responsibility for the function.

Accomplishments anticipated in the next quarter:

• Continue construction on the Al Fathah Pipeline Tigris River Crossing and the Kirkuk Canal Crossing. The three temporary pipelines crossing the Al Fathah Bridge are to be removed

and the six previously completed pipelines will be connected to existing pipeline headers on the River's east and west banks. The tie-ins will allow these new lines to be placed into commercial service. Once in service, the temporary lines on the adjacent bridge can be removed, thereby allowing bridge reconstruction to begin. All construction is scheduled for completion in early 2006.

- Begin construction on the Al Basrah Oil Terminal (ABOT) in September.
- Commission the CPS-5 and complete repairs to CPS-6, thereby closing out the Qarmat Ali 75% Capacity Expansion Task Order. (\$26 million)
- Complete the Project Scope and Status Report (PSSR), the next phase of expansion for the Qarmat Ali Pressure Maintenance Project.
- Begin construction in August on all five natural gas liquids/liquefied petroleum gas (NGL/LPG) projects. (\$135 million)
- Negotiate and definitize 41 remaining projects. (\$118 million)

Emergency Supplies of Refined Petroleum Products Project Code: 51000

| \$ millions | | FY | 2005 b | y Qua | rter | | | |
|-------------------|---------|-----------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | 501 | -450 | -25 | 1 | 1 | 26 | 26 | 5 |
| Change from April | - | - | | | 1 | - | - | - |
| July 2005 | 501 | -450 | -25 | _ | - | 26 | 26 | 5 |

NOTE: Obligation and Outlay Data is current as of June 7, 2005.

Responsible U.S. Government Agency: Defense Energy Support Center (DESC).

Changes from the April Report: This report maintains the \$26 million allocation for emergency supplies of refined petroleum products.

Accomplishments since the April Report: No activity. DESC received and accepted funding during FY04 from the Coalition Provisional Authority in the amount of \$645m for the purpose of providing services to award contracts through competitive procedures for petroleum products. This also included the movement of such products to identified distribution depots for the Iraqi populace. To date, approximately \$611.5m has been expended, leaving a balance of \$33.5m. DESC has received \$29.05m in claims from various contractors for potential compensation for damages incurred and are expecting additional claims to be submitted for lost equipment from other contractors. DESC has been negotiating settlements with these contractors and upon final settlement, contractors have an additional year to appeal the Contracting Officer's Decision. DESC does not anticipate settlement of most of the claims within this fiscal year.

Accomplishments anticipated in the next quarter:

• Ensure that DESC has finalized its review and processed outstanding invoices.

SECTOR: Water Resources and Sanitation

The task of rebuilding the Iraq's critical water and wastewater infrastructure is well underway. During this period the Public Works & Water (PWW) Sector successfully transitioned from the design and planning phases to the Transition to Iraqis and Project Execution phases. The USG and relevant Iraqi ministries continue to work closely and integrate resources with all affected stakeholders which include but is not limited to IRMO, PCO, USAID, Major Subordinate Commands (MSCs), USACE, the Ministry of Municipalities and Public Works (MMPW), the Ministry of Water Resources (MWR), and the City of Baghdad. This integration effort ensures that the Sector's efforts are leveraged to achieve the goals and objectives of the US Mission in Iraq.

The following are highlights of current program activities in the two areas of emphasis:

PROJECT EXECUTION

Cost Management. As more projects move into the construction phase, the USG continues to focus on execution. An integral component of the program is cost management. The USG has worked closely with Joint Contracting Command (JCC), PCO/Finance, and U.S. Army Corps of Engineers (USACE) to develop a clear and concise Cost Control Plan. This plan will ensure that projects can be completed within existing budgets and problems are addressed immediately and proactively.

"Scalable Projects". The Sector has initiated a program to prepare standard designs for water treatment plants that can be adapted for various locations in Iraq. These designs are "scaleable" in that standard components can be selected to yield from 22,000m³ per day to 88,000 m³ per day to meet local requirements.

Post-Battle Reconstruction Initiative. This effort addresses the restoration of combat damaged or deteriorated water systems to ensure the delivery of potable water to the impacted service area. This initiative redirected \$15 million in potable water projects and \$15 million in water conservation projects to critical water distribution needs in Fallujah, Najaf and Samarra as part of the \$246 million post-battle reconstruction initiative. All six projects have started construction. All projects will be completed by December.

Small Projects - Immediate Impact. The nationwide program for small potable water projects continues to advance the delivery of clean drinking water throughout the country. The program relies on the Simplified Acquisition Process (SAP), with procurements that are accessible and readily performed by local Iraqi contractors. There have been 112 construction starts under this program out of currently planned 145 small potable water projects. These projects are typically each less than \$1M, require little engineering, and are executed by 100% Iraqi labor force.

TRANSITION TO IRAQIS

From now until the completion of IRRF projects will be a critical time as the more complex water and wastewater projects and facilities will be completed and handed over to the Iraqis. There are several key Sector initiatives underway to ensure that these facilities, when completed, will be adequately operated and maintained by the Iraqi ministry. These initiatives are Capacity Development and Transition Management.

Capacity Development Initiative. This critical initiative is well underway. The funding for these initiatives comes from PW-091-A (MMPW Management System) and PW-091-B, MMPW (Capacity Building Initiative). The estimated budget to complete is \$14.90 Million for PW-091-A and \$10.56 Million for PW-091-B). Key components include:

- **Baseline Service Assessment.** Perform broad assessment of water and sewerage service in Iraq to serve as a platform for future master planning efforts and performance measurements by MMPW.
- Operation and Maintenance (O&M) Planning and Budgeting Structure. Develop a sustainable O&M organization with realistic identification of resource needs and budgets.
- **Project Management.** Work with the Strategic Management Office (SMO) of MMPW and project management staff in selected directorates to strengthen the Ministry's internal capability for management and oversight of infrastructure projects
- **Planning and Design.** Work with MMPW managers and engineering staff to strengthen capabilities for development of projects including the standardization of design processes.
- **Finance and Administration.** Work with MMPW managers and staff to strengthen financial and administration capabilities in the areas related to implementation and ongoing management of infrastructure facilities.
- Water Quality. Work with managers and staff from MMPW and eight selected Directorates to strengthen capabilities in the area of water quality monitoring and reporting.
- Communications and Public Awareness Program. Work with MMPW management and staff to strengthen organizational unit for effective transition.

Transition Management. This initiative is well underway. The funding for these initiatives comes from PW-091-A (MMPW Management System) and PW-091-B, MMPW (Capacity Building Initiative). The estimated budget to complete is \$14.90 Million for PW-091-A and \$10.56 Million for PW-091-B). Key components include:

- Ministry Liaison. Provide primary point of contact and coordination with ministries/client
 organizations at national and local levels for program execution; provide technical advice and
 mentoring for development and strengthening of management systems and tools within client
 organizations; work with senior-level counterparts and integrated working teams.
- **Develop and Oversee Training.** Work with ministries/client organizations to identify training and capacity development needs associated with the operation and maintenance (O&M) of specific PCO projects; develop overall training structure; and oversee training program implementation.
- Oversee Contractor O&M. Determine O&M requirements associated with completed water and wastewater projects implemented within the potable water and sanitary sewage programs; work with Ministries/client organizations to engage O&M staff early in the process; provide O&M perspective in technical reviews of contractor submittals; review

O&M manuals prepared by the contractors; and provide oversight during commissioning and initial operations.

- Women's Program. Manage the Sector women's involvement program, working with ministries/client organizations to identify and undertake employment and career building opportunities at the project and facility level through performance of the following initiatives: ministry advisory committees, leadership councils, employment and career assistance, and seminars and training.
- Oversee MMPW Management Systems. Manage execution of capacity development by USG contractors; work with the contractors to initiate the program; review and approve detailed proposals; monitor training; and provide subject matter expertise and advice. Elements of the program include: facility O&M, potable water distribution networks, warehouse and inventory systems, vehicle fleet management, and training systems development

Two additional key water sector initiatives that provide added benefit include:

Standard Design Program. This program is developing detailed designs and tender packages for small to medium size water treatment plants to be used throughout Iraq. In addition to providing design for generic water treatment plants (WTP), this program has a strong capacity building component by engaging ministry personnel to work directly with the WTP designer and the Sector Project Contracting Office (SPCO) Program Manager during the full design effort.

"Orphan" Project Development Program. Working with the ministry, the USG has prepared documentation with specific project information to assist the ministry in discussions about these projects at the upcoming World Bank Donor's Conference to be held later this year.

PUBLIC WORKS PROJECTS

Potable Water

Project Code: 60000

| | | FY | 2005 b | y Quai | rter | | | |
|-------------------|---------|-----------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | 891 | -32 | 349 | 275 | - | 1,483 | 625 | 65 |
| Change from April | - | - | 1 | - | | - | +244 | +83 |
| July 2005 | 891 | -32 | 349 | 275 | | 1,483 | 869 | 148 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: Department of Defense/PCO and USAID.

Changes from the April Report: This report maintains the \$1,483 million allocation for Potable Water. At completion of the potable water projects, an estimated total population of 9.1 million will be served.

Accomplishments since the April Report:

PCO

- Awarded 55 projects under the small water project task order, bringing total awarded to date to 135. Completed 20 of these projects, benefiting an additional 375,000 people. Experienced difficulties awarding and completing projects due to limited contractor availability and site conditions.
- Awarded \$900,000 of small water projects by USACE as part of the Basrah Water Supply Program.
- Commenced construction on one new major water treatment plant (WTP) in Balad Rooz, bringing the total to three currently under construction. These WTPs represent 55% of the total budgeted PCO water treatment program. (\$384 million)
- Commenced design on three large water plant projects in Najaf, Diwaniyah, and Dukan-Sulayimaniyah. Decision to construct is pending availability of funds.
- Completed three sessions (O&M Planning and Budgeting, Finance and Administration, and Project Management) and three workshops (Baseline Assessment Workshop I and Water Quality Workshops I and II) as part of the Capacity Development Initiative.

USAID

- Initiated construction at four rural water sites, for a total of 81 site construction starts. Received processing plant construction bids showing costs considerably higher than budgeted due to design complexity and construction cost inflation. Initiated re-scoping of this project, focusing on ameliorating increased construction costs and the sustainability of sites after construction completion; finish and approve re-scope, with the full IRMO and MMPW involvement, by early July.
- Re-allocated \$25 million, approved in early May, from Electricity Generation (P/C 40000) to Potable Water (P/C 60000), for the Water/Sanitation O&M project. Bechtel has an approved job order for 22 rehabilitated water facilities around the country called the Water/Sanitation Institutional Strengthening (WSIS) project.
- Completed 70% of design for further expansion of Sharkh Dijlah Water Treatment Plant in Baghdad.
- Rehabilitated 27 kilometers of the Baghdad potable water distribution main in the Sadr City area. In cooperation with the 3rd Infantry Division, connected an additional 5,300 households to the restored water mains, serving an estimated 50,000 additional Iraqis.
- Completed water projects through USAID's Community Action Program (CAP) to include rehabilitating village water treatment stations in Karbala Governorate benefiting 2,000 people and installing a potable water network in Babil Governorate supplying drinking water to over 5,000 Iraqis. (\$1.7 million)

Accomplishments anticipated in next quarter:

PCO

- Award final 10 projects under the small water project task order and complete 33 projects, benefiting an estimated 600,000 Iraqis.
- Complete 90% design of Najaf, Diwaniyah, and Dukan-Sulaymaniyah water plants. These projects are currently held in construction abeyance waiting funding.
- Begin construction on three new water treatment plants, as funds become available, completing construction starts for PCO-sponsored water treatment plants and bringing the total value of potable water projects under construction to \$675 million.
- Award small water projects in Basrah as part of the Basrah Water Supply program; 16 candidate sites have been selected. Bid and award projects based on a prioritized list until the available funds have been obligated.
- Complete construction on Baqubah Water and Sewer Rehabilitation, benefiting 200,000 Iraqis.

USAID

- Reinitiate re-scoped Rural Water project. Initiate construction at all re-scoped water processing plant sites.
- Issue RFP for Iraqi contractors to provide support services in the WSIS project, at 22 potable water sites around the country. Develop detailed budgets and deploy resources to the 22 sites.
- Complete last 34 kilometers of Baghdad Potable Water Distribution Main restoration, for a final restored total of 98 kilometers, a 33% increase over the original scope. Connect an additional 8,900 households to restored mains resulting in restored or improved service to 89,000 additional Iraqis.
- Complete foundation piling work and initiate plant construction at Sadr City WTP and the new raw water intake at Sharq Dijlah WTP rehabilitation.
- Complete 20 potable water projects under the CAP program, to include rehabilitating a water treatment plant in Dhi Qar and expanding the potable water network to previously unserved villages in the Salah Ad Din and Ninawa provinces.

Water Conservation Project Code: 61000

| | | FY | 2005 b | y Qua | rter | | | |
|-------------------|---------|-----------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | 31 | | - | - | - | 31 | 25 | 3 |
| Change from April | - | - | - | - | - | - | -2 | +3 |
| July 2005 | 31 | ı | - | - | • | 31 | 23 | 6 |

Responsible U.S. Government Agency: Department of Defense/PCO

Changes from the April Report: This report maintains the \$31 million allocation for water conservation.

Accomplishments since the April Report:

- Completed training for 300 Iraqi water operating staff in 15 of 17 target cities for the water
 conservation network repair program. Completed the training center at Basrah and the Erbil
 center is nearing completion. Temporarily delayed placement of training activities in Fallujah
 and Samarra until the security situation improves. User training in leak detection equipment
 progressed, resulting in the timely location of pipeline leaks, expediting repairs and reducing
 water loss.
- Initiated construction on training facilities in 10 cities.
- Trained 300 water and wastewater staff on Operations and Maintenance (O&M).
- Continued post-battle reconstructive effort. In Fallujah, cleared site and started foundation for the Warehouse/Workshop Facilities. In Najaf, City Manager worked with DG for material delivery. In Samarra, trainees attended a workshop at the Training Learning Center (TLC), and reschedule field follow-up due to security concerns.

Accomplishments anticipated in next quarter:

- Complete construction of TLCs in eight cities, including the Regional Center at Erbil. Selected cities for TLCs based on their strategic location (North, South and Central). Training includes Distribution O&M, Global Positioning Systems (GPS), and Basic Mechanical such as welding and pump alignment.
- Deliver over \$12 million in tools and equipment to the 17 target cities participating in the water conservation network program; continue training programs.

Sewerage

Project Code: 62000

| | | FY | 2005 b | y Qua | rter | | | |
|-------------------|---------|-----------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | 205 | 7 | 22 | 1 | - | 235 | 178 | 12 |
| Change from April | - | 1 | 1 | - | - | - | +10 | +14 |
| July 2005 | 205 | 7 | 22 | 1 | - | 235 | 188 | 26 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: Department of Defense/PCO and USAID.

• **Changes from the April Report:** This report maintains the \$235 million allocation for Sewerage. At completion of the sewerage projects, an estimated total population of 8.8 million will be served.

Accomplishments since the April Report:

PCO

• Completed design of the entire Fallujah wastewater treatment plant and priority sewer collection system. Bids received to date on the sewer collection system greatly exceed available funds, thereby questioning the ability to proceed further on the project.

USAID

- Obtained permits and completed project design work for the Habibiya Retention Ponds project. Land use permits and access were delayed in negotiations with the Baghdad Amanat.
- Finished six sewerage projects in the neighborhood of Sadr City in Baghdad. Completed numerous sewerage projects under the CAP to include the construction of sewage canals in Al-Muthanna Governorate, connecting individual homes to city the sewage network, and cleaning sewage canals in Basrah. (\$400,000)

Accomplishments anticipated in next quarter:

PCO

- Continue construction of the Fallujah wastewater treatment plant and priority network collection system, pending funding decision.
- Continue construction on the Basrah sewer rehabilitation program; estimated construction completion in April 2006.

USAID

- Issue RFP for Iraqi contractors to provide support services in the WSIS, at seven sewerage sites. Develop detailed budgets and deploy resources to sites.
- Initiate construction on the Habibiya Retention Ponds project.
- Complete six additional sanitation projects under CAP to include constructing an open sewage system in Dhi Qar, installing a rainwater drainage system in Babil, and supplying an additional pump to a drainage pumping station in Salah Ad Din.

Other Solid Waste Management

Project Code: 63000

| | | FY | 2005 b | y Quar | ter | | | |
|-------------------|---------|-----------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | 21 | - | - | - | - | 21 | 21 | - |
| Change from April | - | - | - | - | -10 | -10 | -10 | +1 |
| July 2005 | 21 | - | _ | _ | -10 | 11 | 11 | 1 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: USAID.

Changes from the April Report: This report reflects a previously notified \$10.1 million decrease from \$21 million allocation for a Baghdad Landfill project to \$11 million, \$10.1 million has been moved to the Electricity Generation sector (PC 40000).

Accomplishments since the April Report:

- Completed geotechnical testing on the Baghdad Landfill site and determined the water table
 was unacceptably close to the surface. De-scoped this project because of this technical
 shortcoming coupled with the lack of secure access; squatters were still living on the property
 and had not been moved by the Amanat.
- Turning over landfill operating equipment to the Kirkuk Governorate for use at their new landfill facility.

Accomplishments anticipated in next quarter:

• Complete turnover of operating equipment to Kirkuk Governorate

Water Resources Projects

Pumping Stations and Generators

Project Code: 64000

| | | FY | 2005 b | y Qua | rter | | | |
|-------------------|---------|-----------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | 157 | -33 | -1 | | - | 123 | 86 | 9 |
| Change from April | - | - | - | - | - | - | +16 | +7 |
| July 2005 | 157 | -33 | -1 | _ | - | 123 | 102 | 16 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: Department of Defense/PCO and USAID.

Changes from the April Report: This report maintains the \$123 million allocation for pump stations and generators.

Accomplishments since the April Report:

PCO

- Rehabilitated the Mandali Pump Station structure; install pipeline and pump by October, thereby
 providing up to 86.4 million liters of raw water per day to the cities of Mandali and Qazanyah,
 serving 38,500 Iraqis citizens.
- Delivered vertical pumps to Karbala Pump Station; anticipated completion in July.
- Began design on Nasiriyah Drainage Pump Station; anticipated construction start in July.

USAID

 Receiving equipment packages to rehabilitate key components of Ministry of Water Resources' Irrigation Pump Stations and Wadha Pump Stations. Start turning over these packages to the MWR as required by site work schedules.

Accomplishments anticipated in next quarter:

PCO

- Complete assessment of all existing equipment at Nasiriyah Drainage Pump Station.
- Complete design for Nasiriyah Drainage Pump Station and commence construction. This
 project facilitates the drainage of 200 cubic meters per second of high-salinity drain water
 from adjacent agricultural land. The Iraqi agricultural population served by this project is
 estimated at 288,000.

USAID

 Turn over equipment packages to rehabilitate key components of Ministry of Water Resources' Irrigation Pump Stations and Wadha Pump Stations to the MWR as required by site work schedules.

Irrigation and Drainage Project Code: 65000

| | | FY | 2005 b | y Quai | rter | | | |
|-------------------|---------|-----------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | 7 | - | 29 | +2 | - | 38 | 5 | - |
| Change from April | - | - | 1 | | | - | +27 | +2 |
| July 2005 | 7 | - | 29 | +2 | | 38 | 32 | 2 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: Department of Defense/PCO

Changes from the April Report: This report maintains the \$38 million allocation for irrigation and drainage systems. Only one project, Kut Betara Reclamation Project, is being undertaken under this project code. The project encompasses 2,750 hectares and will employ 500 local Iraqis.

Accomplishments since the April Report:

• Completed alignment of scope with available budget for the project design.

Accomplishments anticipated in next quarter:

• Complete civil design package.

Major Irrigation Projects Project Code: 66000

| | | FY | 2005 b | y Qua | rter | | | |
|-------------------|---------|-----------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | 22 | 1 | 29 | 2 | - | 53 | 10 | - |
| Change from April | - | 1 | - | | | - | +34 | +1 |
| July 2005 | 22 | | 29 | 2 | | 53 | 44 | 1 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: Department of Defense/PCO

Changes from the April Report: This report maintains the \$53 million allocation for major irrigation projects. Only one project, Eastern Euphrates Drainage Project, is being undertaken under this project code. The project encompasses 58,406 hectares, serving 292,000 people, and will employ 400 local Iraqis. Estimated construction completion date is December 2006.

Accomplishments since the April Report:

• Completed value engineering for the project.

Accomplishments anticipated in next quarter:

• Complete design and commence construction.

Dam Repair, Rehabilitation and New Construction Project Code: 67000

| | | FY 2005 by Quarter | | | | | | |
|-------------------|---------|--------------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlaved |
| April 2005 | 39 | - | 22 | - | - | 62 | 14 | 6 |
| Change from April | _ | - | - | - | - | - | +12 | +2 |
| July 2005 | 39 | - | 22 | - | _ | 62 | 26 | 8 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: Department of Defense/PCO

Changes from the April Report: This report maintains the \$62 million allocation for dam repair, rehabilitation and new construction. Funding in this project code is for the Mosul Dam, Diyala Weir, Ramadi Barrage Complex and Adhaim Dams, the Ministry of Water Resources' four highest priority dam projects.

Accomplishments since the April Report:

Continued review of recommended action for Mosul Dam, PCO, and USACE collaboration.

- Commenced procurement of grouting equipment and spare parts addressing immediate grouting equipment needs.
- Commenced design for rehabilitation of the Adhaim Dam.
- Completed initial design assessment to procure and deliver replacement parts for Ramadi Barrage.
- Reviewed preliminary design for Diyala Weir.

Accomplishments anticipated in next quarter:

- Install new, enhanced grouting equipment at Mosul Dam.
- Complete review and award contract to install piezometers at Adhaim Dam.
- Complete engineering review on Diyala Weir and Ramadi Barrage.

Umm Qasr/Basrah Water Supply Project Project Code: 68000

| | | FY 2005 by Quarter | | | | | | |
|-------------------|---------|--------------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | 25 | | - | 86 | | 111 | 10 | 1 |
| Change from April | - | - | - | - | - | - | +8 | +3 |
| July 2005 | 25 | - | - | 86 | - | 111 | 18 | 4 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: Department of Defense/PCO

Changes from the April Report: This report maintains the \$111 million allocation for this project to provide higher quality raw water to Basrah and Umm Qasr, serving a total population of 1,872,000 Iraqis.

Accomplishments since the April Report:

- Continued emergency repair work and maintenance on Basrah Sweetwater Canal, 1.75 million in the Basrah area.
- Completing final procurement action for installing permanent power capability for Pump Station No. 2 at Basrah Sweetwater Canal.
- Transferring repair and maintenance of Basrah Sweetwater Canal to the MWR with supervision during transition.

Accomplishments anticipated in next quarter:

• Complete transfer of Basrah Sweetwater Canal O&M functions to MWR.

- Commence construction for permanent power to Pump Station No. 2.
- Deliver heavy equipment to the Ministry in order for the Ministry to operate and maintain Canal.

SECTOR: Transportation and Telecommunications

Civil Aviation

Project Code: 70000

| | | FY 2005 by Quarter | | | | | | |
|-------------------|---------|--------------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | 115 | - | -1 | - | - | 114 | 44 | 5 |
| Change from April | - | | 1 | - | - | - | +29 | +7 |
| July 2005 | 115 | - | -1 | - | - | 114 | 73 | 12 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: Department of Defense/PCO.

Changes from the April Report: This report maintains the \$114 million allocation for aviation development.

Accomplishments since the April Report:

- Renovated 60% of Baghdad International Airport (BIAP) terminal. Completed design of VISAIDS rehabilitation at BIAP. Complete construction and system installation by end of 2005.
- Completed 10% of Mosul Airport. Continued military use and security threats, have limited contractor and Iraqi access to the airport, forcing significant delays. Redesigned tower by the Design Build contractor provided the correct clearance between tower and runway. Completed all pile foundations for the new tower location. Delayed project completion by two months (November).
- Began legal review of contract for Navigational Aids (NAVAIDS) pre-construction surveys and site preparation at Basrah Airport (BIA). Extended solicitation for bids for the Visual Aids (VISAID) contract at BIA to allow further information; expect to award in mid-July.

Accomplishments anticipated in next quarter:

- Award and complete assessment study for existing fire suppression system at BIAP. Started the power supply to the new radar site and expect to be complete by July.
- Award VISAIDS and NAVAIDS contracts at Baghdad International Airport.

Umm Qasr Port Rehabilitation Project Code: 71000

| | | FY 2005 by Quarter | | | | | | |
|-------------------|---------|------------------------|-----------------|-----------------|-----------------|-------|----------|----------|
| | | | | | | | Obligate | |
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | d | Outlayed |
| April 2005 | 40 | - | 5 | - | - | 45 | 32 | 16 |
| Change from April | - | - | - | - | - | - | +7 | +4 |
| July 2005 | 40 | - | 5 | - | - | 45 | 39 | 20 |

Responsible U.S. Government Agency: Department of Defense/PCO.

Changes from the April Report: This report maintains the \$45 million allocation for Umm Qasr Port Rehabilitation.

Accomplishments since the April Report:

- Completed 98% of the power panels at warehouses and security lighting at the North Port of Umm Qasr.
- Completed 84% of the Operations Center and security improvements at the North Port. With monies saved, expanded original contract to provide enhanced renovation of the Operations Center.
- Delivered two fire trucks the Iraqi Ports Authority in April.
- Received bids to install approximately 9 kilometers of additional security fence that will encircle North Port and South Port.

Accomplishments anticipated in next quarter:

- Complete award of perimeter security fence and building renovation contract by July 1.
- Complete 50% construction of the reliable power to the two ZPMC 40-ton cranes at the North Port. Complete 50% construction of Substations No.1 and No.4 at the North Port.
- Deliver fire rescue boat and equipment to Iraqi Ports Authority in August.
- Award contract for the installation of approximately 9 kilometers of additional security fence that will encircle North Port and South Port.
- Award contract for a new Roll On–Roll Off (RO-RO) berth at the North Port, complete
 initial surveys of unexploded ordinance and sunken vessels, and complete preliminary
 designs of new RO-RO berth structure.
- Complete 50% construction of the reliable power to Nelcon cranes at the South Port. Complete 50% of the repairs to the Nelcon cranes at the South Port.

Railroad Rehabilitation and Restoration Project Code: 72000

| | | FY | 2005 b | y Qua | rter | | | |
|-------------------|---------|-----------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | 210 | -13 | -8 | - | - | 189 | 149 | 31 |
| Change from April | _ | - | - | _ | - | - | +19 | +27 |
| July 2005 | 210 | -13 | -8 | - | - | 189 | 168 | 58 |

Responsible U.S. Government Agency: Department of Defense/PCO.

Changes from the April Report: This report maintains the \$189 million allocation to renovate the Iraqi railroad by improving the working environment and track structure, and providing necessary tools, spare parts, rolling stock, and railway maintenance equipment.

Accomplishments since the April Report:

- Awarded contract and started construction at the Kirkuk and Bayji Commercial Facilities and the As-Samawah Rail Shops.
- Completed 50% of the construction and continue rehabilitation of the Baghdad Central Station.
- Received 60% of spare locomotive parts, 50% of container flat cars, and 25% of track repair equipment.
- Conducted training for railroad personnel to operate and maintain new equipment.
- Awarded and started construction on the As Samawah Railway Maintenance Facility.
- Began modeling and software development of the new train control system with vendor. Upon completion of installation and training in 2006, the train control system should effectively double passenger and freight capacity along the main line.

Accomplishments anticipated in next quarter:

- Complete 85% of the approximately 100 railway stations planned for rehabilitation.
- Issue contract to repair the break in the main line at the Fallujah Railway station upon awarding demining contract.
- Continue training and capacity development operations with the Iraqi Republic Railroad.

Iraq Telecommunications and Postal Corporation Project Code: 74000

| | | FY | 2005 b | y Qua | rter | | | |
|-------------------|---------|-----|--------|-----------------|-----------------|-----------------|-----------|----------|
| 2207 D | EE 2004 | 1st | and | ard | 4th | 7 7. 4 1 | | 0 (1 1 |
| 2207 Report | FY 2004 | I | 2" | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | 20 | - | ı | - | - | 20 | 7 | 2 |
| Change from April | - | - | | - | _ | - | - | +3 |
| July 2005 | 20 | - | - | - | - | 20 | 7 | 5 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: Department of Defense/PCO.

Changes from the April Report: This report maintains the \$20 million allocation for modernizing the Iraqi Telephone and Post Company (ITPC)

Accomplishments since the April Report:

- Awarded and started construction on one new post office, although anticipated starting four.
 The Minister of Communications is evaluating whether to provide new post offices in Erbil
 and Sulaymaniyah Governorates, rather than the three currently identified in Baghdad. Site
 locations are being determined, but it is probable that only two of the three (regardless of
 location) will be constructed at this time due to funding limitations.
- Completed renovations on the remaining nine post offices.
- Submitted to IRMO for approval, the distribution plan, signed by the Post Master General, to deliver equipment to Iraqi Post Office.

Accomplishments anticipated in next quarter:

- Award and start construction on two new post offices.
- Award and start construction on 12 post office renovations.

Procurement of additional post office boxes for the new post offices

.

Iraqi Telecommunications Systems

Project Code: 76000

| | | FY | 2005 b | y Qua | rter | | | |
|-------------------|---------|-----------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | 90 | -44 | - | - | - | 46 | 10 | 3 |
| Change from April | - | | - | - | - | - | - | +3 |
| July 2005 | 90 | -44 | - | - | - | 46 | 10 | 6 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: Department of Defense/PCO.

Changes from the April Report: This report maintains the \$46 million allocation to initiate a long-term upgrade of Iraqi telecommunications infrastructure to increase capacity, provide reliable service, and restore international connectivity.

Accomplishments since the April Report:

 Connected the Wireless Broadband (WBB) network, consisting of a secure wireless broadband network providing high capacity data and voice communications, to 31 government sites in Baghdad. The WBB will replace interim Very Small Aperture Terminal (VSAT) solutions (Internet via satellite) and improve government communications, thereby enabling the Iraqi Ministries to better serve their constituents.

- Commenced WBB acceptance testing of the network.
- Completed WBB Phase I training for Iraqi Telephone and Postal Company (ITPC) staff.
- Commenced WBB 6-month O&M.
- Tendered a Request for Proposal to reconstruct the Al Mamoun Exchange and Telecommunications Center, involving the design and reconstruction of an Exchange and Telecommunication Center along with a covered Garage, Post Office and connecting Plaza. A seven-story office building will hold the various telecommunications offices, communication switch equipment, and be topped by a communications tower with a radome.
- Received and reviewing bids for the Al Mamoun reconstruction project.

Accomplishments anticipated in the next quarter:

- Complete WBB Ericsson Radio Training for ITPC staff.
- Connect additional four WBB Government sites and perform acceptance testing.
- Commission WBB with ITPC acceptance
- Award Al Mamoun Reconstruction contract; expected completion in 18 months.
- Fully commission WBBN, with ITPC acceptance by the end of July, when the 6-month O&M period begins.

Consolidated Fiber Network (CFN)

Project Code: 76500

| | | FY | 2005 b | y Qua | rter | | | |
|-------------------|---------|------------------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| | | . st | - nd | - nd | -th | | | |
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | - | 70 | - | - | - | 70 | 70 | _ |
| Change from April | - | - | | - | _ | - | - | - |
| July 2005 | _ | 70 | - | - | - | 70 | 70 | - |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: USAID

Changes from the April Report: This report maintains the originally allocated amount of \$70 million.

Accomplishments since the April Report

• Completed rescoping of project to include only Iraqi Telephone and Postal Company and Ministry of Electricity, documenting their contributions and benefits.

Accomplishments anticipated in the next quarter.

- Complete site and route assessments in southern region (Basrah) where project will initiate.
- Commence construction.

Iraq Telecommunications Operations (National Communications and Media Commission – NCMC)

Project Code: 79000

| | | FY | 2005 b | y Qua | rter | | | |
|-------------------|---------|-----------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlaved |
| April 2005 | 25 | - | - | - | - | 25 | 9 | 3 |
| Change from April | - | - | - | - | - | - | +2 | +4 |
| July 2005 | 25 | - | - | - | - | 25 | 11 | 7 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: Department of Defense/PCO.

Changes since the April Report: This report maintains the \$25 million allocation to modernize the Iraq telecommunications operations system and to design a telecommunications regulatory agency.

The National Communications and Media Commission (NCMC) was created by CPA Order 65 to regulate telecommunications, media broadcasting and information services. It is similar to the U.S. Federal Communications Commission.

Accomplishments since the April Report:

- Continue renovation of the NCMC Headquarters Building; scheduled to complete on August 31. The Local Area Network (LAN) cabling has been incorporated into the General Construction contract and is now part of the overall Building Schedule. The interior design has been reviewed and a plan developed.
- Construction of the NCMC Headquarters is ahead of schedule.

Accomplishments anticipated in next quarter:

- Award contract to install LAN equipment for the NCMC Headquarters to be completed in September.
- Continue renovation of the NCMC Headquarters facility to be 100% completed by September.
- Award contact for Interior Design and furniture of NCMC Headquarters.
- Award NCMC training project contract.
- Train operators on the spectrum-monitoring vehicles in the UK then ship the vehicles to Iraq.

SECTOR: Roads, Bridges, and Construction

Public Buildings Construction and Repair

Project Code: 81000

| | | FY | 2005 b | y Qua | rter | | | |
|-------------------|---------|-----------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlaved |
| April 2005 | 127 | - | - | - | - | 127 | 117 | 42 |
| Change from April | - | - | - | - | - | - | +6 | +38 |
| July 2005 | 127 | - | - | - | - | 127 | 123 | 80 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: Department of Defense/PCO and USAID.

Changes from the April Report: This report maintains the \$127 million allocation to reconstruct and rehabilitate headquarters buildings for four Ministries and to rehabilitate or replace approximately 900 public schools throughout Iraq.

Of the approximately 14,000 schools in Iraq, the IRRF II program initially targeted 1,200 for renovation by PCO and USAID. Approximately 900 schools will actually be renovated under this program. A combination of security, increased scope and higher unit costs for labor and materials led to this reduction in the goal. Originally, the Ministry of Education targeted small schools, however, as the program matured, larger schools were also included in the PCO program at the request of the Director Generals in the Governorates, thereby increasing the unit cost per school, and reducing the total number of schools that could be renovated to a combined PCO/USAID total of 900 (800 PCO and 100 USAID).

Accomplishments since the April Report:

PCO:

• Completed 277 and started 74 school renovations. Security and funding allocations to new organizations performing the renovations caused delays to starting and completing the schools remaining in the program.

USAID

• Completed 23 school rehabilitations under the USAID Community Action Program (CAP). Continued work on 11 additional schools and completed the tendering for one more.

Accomplishments anticipated in next quarter:

PCO

• Start the final 35 school renovations and complete 206 school renovations to complete the program.

• Complete the Ministry of Industry & Minerals Building and Ministry of Environment Building and turn the buildings over to the respective ministries. The turnover of the building to the Ministry of Environment was delayed for about four months due to a fire started by a construction activity.

USAID

• Complete 10 additional school building rehabilitations under the CAP. Continue work on recently tendered rehabilitation contract for one additional school.

Roads and Bridges Project Code: 82000

| | | FY | 2005 b | y Qua | rter | | | |
|-------------------|---------|-----------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | 173 | 56 | -4 | +3 | 1 | 228 | 68 | 15 |
| Change from April | - | | - | | -21 | -21 | -3 | +10 |
| July 2005 | 173 | 56 | -4 | +3 | -21 | 207 | 71 | 25 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government: Department of Defense/PCO and USAID.

Changes from the April Report: This report notifies Congress of the Administration's intent to decrease by \$21.5 million this project code by canceling the \$68 million Al Doura Yousafiya Expressway and reallocate as follows: \$11 million to Joint Iraqi American Anti-Terrorism (JTF) P/C 09000, \$6 million to Weekly Opinion Polls (P/C 06000), \$4.5 million (rounded) for IRI/NDI support for campaign skills/group participation, the remaining \$47 million will stay in the sector to fund projects in the PRDC initiative. Funding in this sector is used to repair, replace or construct essential segments of highway, strategic bridges, and critical secondary roads that will enable reconstruction, economic development, and public safety.

Accomplishments since the April Report:

PCO

- Began execution of the projects under the first agreement between the PCO and the Ministry of Construction and Housing (MoCH).
- Paved 43 of the 424 kilometers in the village road projects. The work at Al Anbar Governorate road segments was reduced in scope because of security issues and lack of available low-cost asphalt, thereby reducing the anticipated 54 kilometers by 11 km. The project was closed and the funds will return to PCO. PCO will contract for completion of the remaining 40% of work.

• Completed over \$3.5 million worth of projects improving roads and bridges under USAID's Community Action Program (CAP) since the beginning of the program. Continuing implementation of an additional 50 projects.

Accomplishments anticipated in next quarter:

PCO

 Solicit bids and award the following projects through an execution agreement with the MoCH:

| Project | Governorate | Start Date | Completion Date | % Complete (June 30, 2005) |
|--|--------------------------|---------------|--------------------|-------------------------------------|
| Baghdad-Kirkuk 2d Carriageway-Northern Segment | Salah Ad Din & Tameem | 8/1/2005 | 8/1/2008 | 0% |
| Baghdad-Kirkuk 2d Carriageway-Southern Segment | Baghdad & Tameem | 8/1/2005 | 8/1/2008 | 0% |
| Zuba Bridge (160 m) | Dhi Qar | 8/1/2005 | 5/15/2006 | 0% |
| Nasiriyah Bridge (56 m) | Dhi Qar | 8/1/2005 | 5/15/2006 | 0% |
| Nasiriyah Bridge Approaches | Dhi Qar | 8/1/2005 | 11/1/2005 | 0% |
| Sheik Sa ad Bridge (456 m) | Wassit | 8/1/2005 | 7/24/2007 | 0% |

USAID

• Continue implementation of an additional \$5 million worth of projects under the CAP including road-paving projects in Babil, Basrah, and Najaf governorates, constructing a tunnel in At-Tamim governorate, and construction of a pedestrian bridge in An Najaf governorate.

SECTOR: Health Care

The Embassy continues to review priorities in the Health Care reconstruction program to ensure that they continue to be relevant to needs. Of particular concern are the primary health care centers, which are over-budget. There is further concern that the health care training budget may not cover the multitude of needs through 2006. Furthermore, the development of Emergency Medical Services (EMS) continues to be a priority for this sector, as is the management of the national pharmaceutical supply and distribution system. Developing nursing capabilities remains a priority for Iraq.

The current Iraqi health care system remains focused upon on hospital-based care with a national network of hospitals. Community level, primary health care is weak and access to basic health care is still an issue in the most vulnerable populations with the highest mortality and morbidity. The levels and distribution of available human resources for health are inadequate, with a severe shortage of nurses and family practice specialists. Health data are outdated and not fully integrated within the health planning and monitoring process. Disease surveillance and morbidity/mortality tracking capabilities are improving; but, recurring diseases, such as tuberculosis, malaria, leishmaniasis and schistosomiasis, continue to be public health issues. The existing procurement/supply system for drugs, equipment and medical supplies is insufficient for the needs of the health sector.

Iraq has one of the highest child mortality rates in the world. Iraqi health statistics lag far behind those in the region. Mortality and morbidity rates are aggravated by poor water and sanitation systems. Local health conditions are characterized by:

- High maternal mortality (294/100,000) and child mortality rates (125/1,000)
- About 50% of under age five deaths are caused by preventable or treatable diseases like respiratory illness and diarrhea
- High rates of malnutrition
- 30% of children under five are malnourished
- Re-emergence of communicable diseases previously under control
- Continuing endemics of malaria, cholera, and leishmaniasis.

The main effort behind the health care program is to reduce infant mortality rate in Iraq. To that effect 20 maternity and pediatrics hospitals were identified for major rehabilitation throughout Iraq. Renovations of these hospitals include medical equipment upgrades to modern health-industry standards. Subsequent site visits made to these hospitals provided a better assessment of actual conditions, and extensive interview with hospital administrators, and ministry officials indicated a dire need for additional capacity, hence, a number of hospital additions, Extended Healthcare Centers (EHCs), were planned at 7 of the most important regional hospitals. These include additional capacity ranging from 50-150 beds, as well as medical equipment and support functions designed to directly support the existing facilities.

In addition to the above, 130 new Primary Healthcare Centers (PHCs) are planned throughout Iraq. Each of these centers will provide basic health services in an effort to reduce load on

currently overcrowded and dilapidated hospitals. These services will include general practice medicine, dental care, urgent care, and low risk birthing and delivery centers. Additionally, these centers will provide health education facilities, as well as offer vaccinations therefore directly supporting the stated goals of the program.

Nationwide Hospital and Clinic Improvement Project Code: 90000

| | | FY | 2005 b | y Qua | rter | | | |
|-------------------|---------|-----------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | 439 | 1 | - | - | - | 439 | 261 | 35 |
| Change from April | - | - | - | - | - | - | +98 | +39 |
| July 2005 | 439 | - | - | - | - | 439 | 359 | 74 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: Department of Defense/PCO

Changes from April Report: This report maintains the \$439 million allocation to rehabilitate Maternity and Children's hospitals and construct new Primary Healthcare Centers in every governorate.

First Primary Healthcare Center (PHC) completions are anticipated next quarter. It has taken longer than expected for health projects to come to fruition. Some of the contributing factors for the lengthening of the execution phase include construction delays (disputed land ownership and extensive site remediation requirements), insurgent activity and security issues for the contractors and delivery of construction supplies, complex designs for healthcare facilities (limited number of knowledgeable Iraqi Healthcare Architects and Engineers), and long lead time for medical equipment manufacturing and delivery.

There are three types of health care facilities being constructed/renovated under this activity:

Primary Healthcare Centers (PHCs) -- Cost estimates for PHCs bid to subcontractors during October-December 2004 indicated construction costs were higher than anticipated, and would most likely result in reducing the number of PHCs from 150 to 135. The PHC design was modified to bring 150 PHCs back into budget, including a redesign of the second floor layout, to reduce the required square footage. Low productivity from local contractors and inefficiencies caused by security concerns are pushing completion of a significant number of PHCs into 2006. This is turn could increase the Administrative Task Order (ATO) cost. In addition, the continued increases in the cost of strategic building materials and extensive site remediation costs have forced PCO to put completion of eight PHCs on hold.

These eight sites are experiencing considerable delays due to security constraints, site remediation, questionable titles and other issues. Seven or eight of these sites will need to be relocated.

At this time, it is expected that the DB will complete 130 PHCs pending periodic program reviews. PCO will put out reprocurement solicitations for fixed-price contracts in mid-July for construction of 12 of the 20 PHCs being descoped from the DB contract. Negotiations are

ongoing with the Ministry of Health (MoH) to reprogram funds to cover the additional costs (\$30 million) of generators, furniture and consumable supplies needed for all constructed PHCs.

- Hospitals -- Originally, the health program included the renovation of 17 Maternity and Pediatric hospitals. In December 2004, the program grew to 20 hospitals, including such new program facilities as the \$15 million Najaf Teaching Hospital renovation. Sulaymaniyah Maternity Hospital was also added and, with the concurrence of the MoH, funding for these additional hospital projects was achieved by diverting funds from the other hospital projects. The de-scoped projects were: Baqubah General, Erbil Maternity, Al Khansaa Maternity, Ibn Al Athir Maternity, Sulaymaniyah Pediatric, Al Ramadi Maternity, Qadissiya (Diwaniyah) Maternity.
- Expanded Healthcare Centers (EHCs) -- It is economically preferable to construct the EHCs (formally referred to as "super clinics") than extensive renovation of five hospitals (Sulaymaniyah Pediatric, Diwaniyah Qadissiya Maternity and Pediatric, Karbala Maternity and Pediatric, Kirkuk Pediatric, and Wassit Haj Jal Maternity & Pediatric). The hospitals at these locations will have basic work done such as roof and elevator repairs and improvements to water systems. The balance of the budgets will fund the EHCs associated with each location, complementing the adjoining hospitals and will include space for laboratories, clinics, and beds at Kirkuk Pediatric, Sulaymaniyah Pediatric, Qadissiya (Diwaniyah) Maternity, Haj Jalal Maternity (Wassit) and Karbala Maternity.

\$22 million was initially redirected to address health-related initiatives in Fallujah, Samarra and Najaf as part of the multi-sector \$246 million post-battle reconstruction initiative. This amount has since been reduced to \$14 million. The remaining \$8 million was used to fund part of the EHC budget.

Accomplishments since the April Report:

- Approved plan to build a new hospital in Samarra thereby removing from consideration, at the request of MoH, the proposed construction of a "super clinic". (\$5 million)
- Reduced the estimate for Najaf Teaching Hospital from \$15 million to \$14 million by changing the acquisition strategy and refining of the scope of work. Continuing discussions with another donor to obtain support for additional work on the facility and grounds. Completed phases I and II. Phase III includes the renovation of the rest of the main hospital and has been placed out for bid with bids due back in July.
- Construction has started on 135 PHCs. Minimal work (site fencing, construction mobilization and limited site prep) has occurred on 30 of these sites. Approximately 20 of these are being descoped from the DB contract.
- Completed one hospital renovation.
- Received bids for five EHC projects; there is a hold on the award of these contracts pending
 the outcome of an IRMO/MoH negotiation regarding capacity development costs proposed
 by the Ministry and IRMO.

Accomplishments anticipated next quarter:

- Complete one hospital project.
- Award 12 fixed price contracts for reprocured PHCs.
- Continue Ministry of Health (MoH) negotiations for supplemental funds for PHCs.
- Award fixed price EHC contracts.

Equipment Procurement and Modernization and Training Project Code: 92000

| | | FY | 2005 b | y Qua | rter | | | |
|-------------------|---------|-----------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | 297 | - | - | - | - | 297 | 140 | 19 |
| Change from April | _ | - | - | - | - | - | +21 | +30 |
| July 2005 | 297 | - | - | - | - | 297 | 161 | 49 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: Department of Defense/PCO and USAID.

Changes from the April Report: This report maintains the \$297 million allocation to procure new medical equipment, train medical staff and provide technical assistance to build capacity in the Ministry of Health (MoH).

Accomplishments since the April Report:

PCO

- Agreement attained by Director General of Kimadia, MoH's state-owned procurement company, on plan to transfer equipment from the USG-Abu Ghraib warehouse to MoH facilities. Established an equipment distribution list, divided into three sectors (North, Central, and South), identifying what is to be distributed among the various governorates. Submitted list to MoH; pending approval.
- Completed demolition of existing site building at the Academy of Health Sciences.
- Did not award the Partnership in Health Care PIHC contract supporting health consulting services. PCO is planning to discuss reprogramming of these resources to support cost overruns for the PHCs.

USAID

• Awarded training contract for staff for 150 model primary health care centers to Research Triangle Institute (RTI) on April 28. Mobilized the team to Baghdad and initiated planning with the MoH.

- Immunized over 95% (3.52 million) of target 3.72 million children, ages one through five years, against measles, mumps and rubella. Working with Iraq's Ministry of Health (MoH), USAID's funding was provided through a grant to the World Health Organization to support the MoH's national house-to-house campaign.
- USAID's Health II Project provided funding to the USAID Global Health project for Child and Maternal Health (BASIC III) to improve a variety of child health services provided by the MoH. Implementation began and included:
 - O Initiated preparation of a public awareness campaign on controlling diarrheal disease. Initiated planning for the training of health educators improving counseling on diarrheal disease. Identified areas of weak performance in diarrheal disease service provision and developed a plan of action to address these areas, including training health providers and rapid interventions.
 - o Identified sites for study tours looking at newborn care, maternal health and birth spacing/family planning programs; MoH started reviewing the sites to determine final locations for visits.
- Postponed discussions on detailed MoH capacity building support as well as final determination on the content of a proposed Iraqi counterpart team due to changes within the Ministry.

Accomplishments anticipated in next quarter:

PCO

- Demolish facilities on the Academy of Health Sciences project site, managed by USACE. PCO continues to monitor the design and construction progress.
- Verify acceptable Kimadia warehouse facilities and move equipment from the open distribution list to Iraqi control.

- Health Training (RTI): Finalize curricula, train the trainers for staff of 150 model primary health care centers, and complete plan for MoH step down training.
- Health II Project activities implemented by BASICS III
 - o Train MoH central and governorate level health education staff in support of the public awareness campaign.
 - o Draft an infant and young child feeding strategy.
 - o Expose Iraqis, via study tours, to proven approaches to newborn care, birth spacing and maternal health that can be incorporated into strategies and service guidelines.
- Complete two rounds of polio national immunization days.

Basrah Pediatric Facility (Hospital)

Project Code: 91000

| | | FY | 2005 b | y Qua | rter | | | |
|-------------------|---------|-----------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | 50 | - | _ | - | - | 50 | 50 | - |
| Change from April | - | - | - | - | - | - | - | - |
| July 2005 | 50 | - | - | _ | - | 50 | 50 | - |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: USAID

Changes from the April Report: This report maintains the \$50 million allocation to construct a modern pediatric hospital in Basrah aimed at providing Iraqi children in the southern part of the country with access to an improved quality of health care for acute and referral care pediatric medical conditions. The hospital will also offer services in pediatric oncology.

Accomplishments since the April Report:

- Completed over 50% of design. Reviewed and incorporated comments in Basis of Design drawings, which were used by the contractor to negotiate the final design build subcontract.
- Drove over 90% of foundation pilings, with 1260 piles driven to date. Pile driving should be completed before the end of June; construction to begin thereafter.
- Completed security perimeter wall with three gates.
- Project Hope (HOPE) has identified some sources for training Iraqi staff assigned to the hospital. HOPE is to provide equipment for the hospital and is in the process of identifying sources for that equipment.
- Construction of the hospital buildings is now scheduled for completion in September of 2006.

Accomplishments anticipated in next quarter:

- Mobilize construction contractor to site and commence construction of the foundation slab.
- Determine scheduling milestones for provision of equipment and training of hospital staff by USAID, the contractor, and the equipment donor.

SECTOR: Private Sector Development

Expanded Network of Employment Centers

Project Code: 01000

| | | FY | 2005 b | y Qua | rter | | | |
|-------------------|---------|-----------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | 8 | - | - | 1 | - | 8 | 7 | 2 |
| Change from April | _ | - | - | _ | - | - | +1 | +5 |
| July 2005 | 8 | _ | - | _ | _ | 8 | 8 | 7 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: USAID

Changes from the April Report: This report maintains the \$8 million allocation to establish Employment Service Centers (ESCs). USAID currently is re-focusing the scope of work of the associated project to ensure that the essential services ministries (i.e., water, infrastructure, power and oil, and public works) receive the training support required for proper operations, maintenance, and reconstruction efforts. The re-scoping and subsequent award for services should be completed by early October.

Accomplishments since the April Report:

- Trained 40 outreach counselors who support the Ministry of Labor and Social Affairs (MOLSA) to identify employment opportunities and to counsel unemployed Iraqis on ways to find and pursue employment opportunities.
- Completed training in human resource management, customer service, gathering employment statistics, and client relations in one ESC.

Accomplishments anticipated in the next quarter:

• Continue MOLSA staff training in human resource, financial, and program management.

Vocational Training Project Code: 02001

| | | FY | 2005 b | y Qua | rter | | | |
|-------------------|---------|-----------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | 79 | 15 | - | - | - | 94 | 89 | 27 |
| Change from April | _ | - | - | - | - | - | - | +15 |
| July 2005 | 79 | 15 | - | - | - | 94 | 89 | 42 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: USAID

Changes from the April Report: This report maintains the \$94 million allocation to establish Vocational Technical Training Centers (VTTCs).

Accomplishments since the April Report:

- Engaged seven VTTCs and several sub-VTTCs in Baghdad to provide instructional and technical training.
- Procured training-related equipment for training centers.
- Enrolled 1,300 Iraqis in vocational training courses.

Accomplishment anticipated in the next quarter:

- Rehabilitate two additional VTTCs in Baghdad.
- Contract with the Iraqi-American Chamber of Commerce to provide English language and computers/IT training.
- Enroll 1500 Iraqis in training courses.

Business Skills Training Project Code: 02500

| | | FY | 2005 b | y Qua | rter | | | |
|-------------------|---------|-----------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | 37 | 1 | - | - | - | 37 | 28 | 17 |
| Change from April | - | 1 | - | - | - | - | +1 | +2 |
| July 2005 | 37 | - | - | - | - | 37 | 29 | 19 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: Department of Defense and USAID.

Changes from the April Report: This report maintains the \$37 million allocation to provide training to Iraqi small and medium enterprises.

Accomplishments since the April Report:

Department of Defense

Closed the contract for the Business Centers. This contract has several deliverables: to
develop a Best Practices manual for the development and management of Business Centers
in Iraq and to provide consulting services to Business Centers to bring them up to Best
Practices standards in order for them to be self-sufficient and to stand up the Iraq National
Business Alliance to be the focused voice to private sector business initiatives to the Iraq

Government. The Contractor will work in three Business Centers in Iraq, two in the north and one in the central region.

- Sent to Contracting the Software Consultant Contract.
- Sent to Contracting the Iraq Stock Exchange RFP. This RFP will be to for expert consulting services to automate the trading, settlement, and clearing of the Iraq Stock Exchange (ISX) and to provide for an Independent Depository for Iraq. The ISX will be developed as a virtual exchange similar to NASDQ in the US.

USAID

- Completed dozens of training courses, including Consultative Group to Assist the Poor (CGAP) financial analysis, managerial accounting and cash flow analysis, marketing concepts, balance sheet and income statement development, understanding financial analysis indicators, and loan portfolio management.
- Approved and disbursed 113 small grants, creating 383 jobs.
- Distributed almost 1000 "business toolkits" to micro- and small-sized entrepreneurs on subjects ranging from management to finance to marketing.

Accomplishments anticipated in the next quarter:

Department of Defense

- Close and obligate the Iraq Stock Exchange RFP.
- Complete the Software Consultant contract deliverables.
- Complete the "Best Practices" Business Center Manual In Iraq under the Business Center's Contract.

- Complete more than 20 training courses.
- Conduct microfinance training in topic areas such as AIMS's Small Enterprise and Education and Promotion Network (SEEP) client assessment tools, MicroSave's market research for microfinance, streamlined decision-making and change management, market research, loan officer training, operations, and strategic planning.
- Approve and distribute small grants to create over 1,000 direct jobs. (\$3 million)
- Beekeeping and beverage sector experts to train small entrepreneurs in those technical areas.
- Focus new training efforts on the "non-permissive" areas of Nineveh, Kirkuk, Baqubah, Tikrit, and Baghdad.

Micro, Small, and Medium Enterprises

Project Code: 03000

| | | FY | 2005 b | y Qua | rter | | | |
|-------------------|---------|-----------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | 44 | - | - | - | - | 44 | 36 | 35 |
| Change from April | - | - | - | - | - | - | - | - |
| July 2005 | 44 | - | - | - | - | 44 | 36 | 35 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: Departments of Defense and the Treasury, and the Overseas Private Investment Corporation (OPIC), with funding transferred to OPIC through USAID.

Changes from the April Report: This report maintains the \$44 million allocation for the development of small and medium enterprises in Iraq.

Accomplishments since the April Report:

Department of Defense

- Sent the Small Business Growth Facilitation Program to Contracting for processing.
- Sent the Economic Zone Study RFP to Contracting for Posting.

USAID

- Trained staff at three Iraqi private banks (Phase I) to provide SME loans to Iraqi companies based on cash-flow lending criteria, the first time in Iraq, rather than over-collateralization; several dozen loans made using this new approach.
- Developed policies and procedures for risk evaluation, credit analysis, and lending at Phase I banks.
- Trained 90 microfinance specialists in worldwide best practices related to microlending, portfolio management, and institutional management.

OPIC

• Progress continues in the OPIC-supported Iraq Middle Market Development Foundation (IMMDF), a facility to make up to \$130 million in loans to Iraqi private sector companies. The IMMDF has now submitted five projects for approval. During this quarter, one was disbursed, two received credit and policy approvals, and two new submissions are in the process of policy review. These two include \$4.2 million for expansion of a flour milling facility for packaging and processing of wheat and bran, and a \$1 million project for distribution of perishable grocery products. These five projects, when successfully

disbursed, will total \$13.4 million and support 286 Iraqi jobs. They would utilize 43 percent of Tranche A capital.

- IMMDF now has five staff in Jordan and Iraq. Due to security issues the General Manager continues to market IMMDF from Amman as well as traveling to Iraq.
- IMMDF has been meeting with groups to promote business development. For example, IMMDF met with Volunteers for Economic Growth Alliance and ProGroup Consulting to discuss business plan training, and a private equity fund for the construction industry to investigate co-financing opportunities.

Accomplishments anticipated next quarter:

Department of Defense

- Obligate the Small Business Growth Facilitation Program.
- Obligate and complete the Economic Zone Study.

USAID

- Begin training staff and develop internal lending capacity with three additional private banks (Phase II).
- Train 400 microfinance specialists in worldwide best practices related to microlending, portfolio management, and institutional management.
- Initiate a \$20 million sustainable microfinance program with at least four established, international, microfinance institutions.

OPIC

- Sign OPIC Agreement with the ITG.
- IMMDF will continue marketing efforts in Jordan and Iraq. An additional three prospects are in preliminary stages of development.

Treasury/International Financial Corporation (IFC)

• The IFC signed an investment agreement on June 1 with the Iraq National Bank (INB) representing the first investment to be made under the Iraq Small Business Finance Facility (ISBFF). The transaction consisted of a senior loan of \$12 million to support the SME lending operations of INB. At about the same time, Export and Finance Bank of Jordan (EFB) purchased a 49% stake and assumed management control of INB. Rabo International Advisory Services BV (RIAS), a fully owned subsidiary of the Rabobank Group, will provide technical assistance to INB under the project.

Institutional Reforms Project Code: 01500

| | | FY | 2005 b | y Qua | rter | | | |
|-------------------|---------|-----------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | - | 100 | 1 | - | - | 100 | 93 | 1 |
| Change from April | - | 1 | 1 | - | - | - | +4 | +1 |
| July 2005 | _ | 100 | | | - | 100 | 97 | 2 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: USAID.

Changes from the April Report: This report maintains the \$100 million allocation to continue to implement a broad-based institutional economic reform program.

Accomplishments since the April Report:

- Developed and delivered procedures for improving the administration of the Corporate Income Tax, including training for ITC staff on the new processes and taxpayer education on compliance procedures.
- Delivered the first day of a four-day train-the-trainers course on the new corporate income tax return.
- Reviewed the new insurance law and provided technical assistance on the development of associated regulations required for the implementation of the law. A properly implemented insurance law will protect consumers and facilitate market development.
- Provided training to the macroeconomic unit of the central bank developing its capacity to identify, collect, and analyze statistics critical to development of a comprehensive set of economic accounts including money supply, international reserves, exchange rate, banking reserves, domestic assets, government overdrafts, inflation and trade.
- Developed and implemented procedures and conduct training supporting conformity of Rafidain and Rasheed banks' capital adequacy to BASEL I international banking standards.
- Completed assessment of Iraqi Housing Fund's (IHF) IT needs to implement an automated loan-tracking program.
- Reviewed the new operating budget with accounting and management staff pointing out problems and making needed adjustments. The Budget is now ready to submit for approval of the Ministry of Construction and Housing, to furnish and equip the IHF's offices.
- Reviewed and drafted operating policies and procedures that were submitted to the IHF for comment. Will integrate their feedback into a new inclusive version.
- Delivered draft organization plan and regulatory procedures for the National Communications and Media Commission (NCMC).

- Drafted Operating Protocols and Procedures, IT Policies and Procedures, IT Standards, and Information Security Policy and Standards by the Chief Information Officer (CIO) Council

 with the broad participation of CIO officers throughout the government and spending agencies.
- Held working sessions with the National Chief Information Office and Ministry CIOs to develop organizational charts for the National CIO office and Ministry CIO offices. Will establish core competencies for each of the areas identified in the organizational charts.

Accomplishments anticipated next quarter:

- Activate the Financial Management Information System (FMIS) network and commence Expense and Journal voucher data at all Phase I FMIS sites by July.
- Work with Department of Treasury to obtain a clear view of the Government of Iraq vision on the future of state-owned banks. Assess the banks, leading to an overall bank restructuring strategy that will be submitted to the Iraqis.
- Develop programs to allow other financial institutions to participate in residential lending and help identify impediments in Iraqi Law regarding residential lending.
- Form a Direct Deposit Working Group to develop a systematic direct deposit program to propose to the Ministry of Finance. Plan to have at least five ministries participating in the direct deposit system by September.
- Agree on an implementation plan for Telecommunications sector restructuring and assist the Iraqi Telecom and Post Company in managing the installation of a new billing system.
- Order the handheld data collection units for meter population survey, develop the database application and submit draft policy statement regarding regulation of the Electricity Sector to the Ministry.

Agriculture

Project Code: 01600

| | | FY | 2005 b | y Qua | rter | | | |
|-------------------|---------|-----------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlaved |
| April 2005 | - | 100 | - | _ | - | 100 | 93 | • |
| Change from April | - | - | _ | - | - | - | +4 | +4 |
| July 2005 | _ | 100 | - | - | - | 100 | 97 | 7 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: USAID

Changes from the April Report: This report maintains the \$100 million allocation to support expanded private sector agribusiness throughout Iraq.

Accomplishments since the April Report:

- Assisted the Ministry of Agriculture's (MoA) certified seed program and private sector seed processors to provide pure clean seed to increase wheat production.
- Expanded support to the MoA's national vaccination program by diseases treated and geographic coverage. Continue collaboration with UN Food and Agriculture Organization (FAO) and their animal program.
- Supported the MoA in developing and implementing a national program to support olive production throughout Iraq. Included are 30 demonstration olive orchards totaling 21,000 trees in 15 governorates.
- Planned study tours to show the roles of producers and marketing associations. Explored forming an association for input suppliers. Continued strengthening the national beekeepers association and date processors.
- Planned and undertook summer crop technology demonstrations for key crops such as rice, maize, and vegetables.
- Signed letters of agreement to support a National Integrated Pest Management Strategy for Iraq.
- Reforested 475 hectares of land in Erbil and Dahuk for watershed management purposes.
- Concluded three poultry surveys in the northern region.

Accomplishments anticipated next quarter:

- Finalize plans for hybrid maize demonstrations with 400 farmers.
- Conduct demonstrations on thinning and transplanting of rice farming and applying herbicides and fertilizers.
- Receive 24 one metric ton seed treating/cleaning units in Mosul, Ainkwaa, and Sumail; training on O&M to be completed by equipment provider. Cooperatives prepare to receive grain treaters/cleaners in Hawija, Mosul, Ainkwaa, and Sumail.
- Establish tomato, cucumber, eggplant, and/or onion plots using drip-irrigation sites on 240 family lots; train MoA staff from 18 governorates on installing and operating the irrigation systems.
- Finalize National Agriculture Extension Strategy.
- Complete 11 small-scale irrigation projects throughout the country.
- Install 15 automatic weather stations in the country; training started for MoA and Ministry of Trade staff on installation and operation.

Market-Based Reforms Project Code: 03500

| | | FY | 2005 b | y Qua | rter | | | |
|-------------------|---------|-----------------|-----------------|-----------------|-----------------|-------|----------|----------|
| | | ot. | nd | nd | 4h | | Obligate | |
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | d | Outlayed |
| April 2005 | - | 100 | ı | 1 | 1 | 105 | 63 | 1 |
| Change from April | - | ı | +5 | - | - | - | +39 | +1 |
| July 2005 | _ | 100 | 5 | - | - | 105 | 102 | 2 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: USAID.

Changes from the April Report: This report maintains the \$105 million allocation to promote market-based reforms.

Accomplishments since the April Report:

- Worked with the Iraqi Privatization Commission to finalize law establishing an Iraqi Privatization Agency.
- Continued talks with several ministries to establish an Iraqi Investment Promotion Agency.
- Continued providing training to the Iraqis staff of Cooperative Housing Foundation (CHF) and ACDI/VOCA, Inc., the only two microfinance operators currently in Iraq.
- Trained accounting to private accountants and cash-flow-lending to private banks.
- Worked with the Ministry of Trade (MoT) to establish the framework for a Trade and Investment Center. This center will provide Iraqis and international companies with information and one-stop shop services related to trade with Iraq.

Accomplishments anticipated next quarter:

- Iraq plans to deliver MFTR to WTO Secretariat in July. Next steps include establishment of WTO Working Party in Iraq's accession.
- Continue to develop the MoT's WTO Unit and inter-ministerial WTO Committee to respond to questions from WTO to prepare for the first working group meeting for Iraq anticipated by the end of 2005.
- Establish Iraqi Privatization Agency and an Iraqi Investment Promotion Agency.
- Train the Iraqi staff of CHF and ACDI/VOCA, the two microfinance operations currently operating in Iraq. Initiate sustainable and competitive microfinance program with at least four microfinance institutions. (\$20 million)
- Expand cash flow lending programs in private Iraqi banks to include six banks.

Housing Rehabilitation Grants

Project Code: 01700

| | | FY 2005 by Quarter | | | | | | |
|-------------------|---------|--------------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | - | - | 20 | - | - | 20 | - | - |
| Change from April | _ | - | | - | -20 | -20 | - | - |
| July 2005 | _ | - | 20 | - | - | - | - | - |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: USAID

Changes from the April Report: This initiative was suspended due to an objection from Congress (ref. Congressional Notification No. 50, "Jobs Creation Initiative"). This report notifies Congress of the Administration's intent to reallocated this \$20 million to Democracy-Building Activities (PC 06000) for IRI/NDI's support of elections.

SECTOR: Education, Refugees, Human Rights, and Governance

Migration and Refugee Assistance

Project Code: 04000

| | | FY | 2005 b | y Quai | rter | | | |
|-------------------|---------|-----------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | 105 | 70 | _ | -16 | _ | 159 | 96 | 20 |
| Change from April | - | - | - | - | - | - | +20 | +20 |
| July 2005 | 105 | 70 | - | -16 | - | 159 | 116 | 40 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: Department of State's Bureau of Population, Refugees, and Migration (PRM) and USAID's Office of Foreign Disaster Assistance (OFDA).

Changes from the April report: This report maintains the \$159 million allocation to support Migration and Refugee Assistance throughout Iraq.

Accomplishments since the April Report:

State (PRM)

- Maintained action and assessment teams in Fallujah during the months of return of displaced persons and coordinated distribution of nonfood items provided by United Nations High Commissioner on Refugees (UNHCR).
- Conducted assessment visits at Al Tash refugee camp and coordinated approval with UNHCR and the ITG to move the camp to Sulaymaniyah.
- Briefed new Minister on IRMO and PRM support for the Ministry. The Ministry supported Iraqi Property Claims Commission's (IPCC) request to extend the claims filing deadline.

- Employed at least 7,000 Internally Displaced Persons (IDPs) in Kirkuk and Diyala Governorate through cash for work programs integrated into all construction and sanitation projects. Over 75,000 employment days generated in Diyala Governorate. Over 15,000 employment days generated in Kirkuk Governorate.
- Continued responding to sudden displacement needs due to conflict or natural disaster, including provision of tents and emergency supplies for 520 IPDs families returning to Jubail Quarter, Fallujah, and 1775 families displaced from al-Qa'im western al-Anbar province.
- Continued activities of mobile health units in returnee and IDP areas of Kirkuk and Diyala Governorates started four new mobile health units in Fallujah and expanding to Dahuk Governorate. Started rehabilitation of one health center in Dahuk Governorate.

- Completed 18 water projects. Expanded water and sanitation activities in Kirkuk Governorate targeting both Kurdish returnees and Arab IDPs.
- Provided agricultural livelihood support packages in IDP/returnee areas in Kirkuk to approximately 600 families. Negotiated agreement with supplier of approved seeds and agriculture extension services.
- Expanded water and sanitation activities to Western Ninewa, Dahuk and Missan Governorates.
- Distributed relief supplies for 14,000 families displaced as result of conflict in Fallujah. Completed supply distribution in Fallujah.
- Designed, funded and started cash-for-work project in Fallujah.
- Registered and assisted people with disabilities in the Kirkuk area

Accomplishments anticipated in next quarter:

State (PRM)

- Increase the ministry's standing in Baghdad and throughout Iraq using the strengthened ties within the ITG.
- Finalize the revised Basic Law and complete the approval process through the legislative process.
- Continue to develop an effective national plan for durable solutions and coordinate policies and procedures with authorities in the Kurdistan Regional Government (KRG).
- Focus greater attention on the reintegration of refugee returnees and non-Iraqi refugees in Iraq.
- Three Ministry employees will attend a three-week course on managing complexity at Georgetown University from July 10–29.

- Generate at least 90,000 employee days in Kirkuk and Diyala Governorates and at least 10,000 employee days in Fallujah through cash for work programs.
- Continue responding to sudden displacement needs due to conflict or natural disaster.
- Continue activities of mobile health units in returnee and IDP areas of Kirkuk, Anbar and Ninawa Governorates.
- Continue providing agricultural livelihood support packages in IDP/returnee areas in Kirkuk covering approximately 4000 beneficiaries.

- Continued implementation of water and sanitation activities in Kirkuk, Diyala, Erbil and Ninewa Governorates targeting both Kurdish returnees and Arab IDPs with awareness of the needs of other religious/ethnic communities.
- Implement water and sanitation activities in North Western Ninewa, Missan and Wassit Governorates.
- Repair and rehabilitate 14 schools generating 1,600 per person per day work hours.
- Establish at least 10 new mobile medical teams.

Property Claims Commission Project Code: 05500

| | | FY | 2005 b | y Qua | rter | | | |
|-------------------|---------|-----------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | 10 | - | - | - | - | 10 | 5 | 2 |
| Change from April | - | - | - | - | - | - | +2 | +3 |
| July 2005 | 10 | - | - | - | - | 10 | 7 | 5 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible US Government Agency: Department of State (PRM).

Changes from the April report: This report maintains the \$10 million allocation for support to the Iraqi Property Claims Commission (IPCC).

The number of claims filed increased from almost 48,000 as of March 16 to 84,400 as of June 22, while the number of claims adjudicated increased from 2,300 as of March 16 to over 6,500 as of June 22. During the same period, the IPCC began recruiting judges to staff additional new regional commissions in the Kirkuk Governorate and has, reportedly, hired 6 additional judges to add to the two previously working there.

Accomplishments since the April Report:

- Reviewed International Organization for Migration-prepared (IOM) draft compensation guidelines, agreed by UNHCR and IRMO/IPCC, and transmitted to the IPCC for review and implementation.
- Commenced additional Public Information (PI) campaign activities, including deployment of the IPCC's website, IPCC PI staff training/office equipping, press conferences, and TV, radio and newspaper advertising.
- Awarded to JTSI, Inc. a \$1.5 million contract, by IOM for delivery and installation of computer equipment and related hardware and peripheral systems for the IPCC's computer network. Commenced delivery and installation to IPCC offices.
- Conducted workshops, by IOM, in Amman on database management and data entry for more than 20 IPCC staff.

- Supervised the printing and delivery to Kirkuk and Baghdad of 500,000 IPCC informational brochures, by UNHCR. IPCC staff distributed the brochures locally.
- Selected a Swiss firm, VTX, to host the IPCC's database servers in Geneva.

Accomplishments anticipated in the next quarter:

- Design and implement Out-Of-Country claims program to be implemented by IOM and UNHCR. Did not implement previous IOM/UNHCR proposal due to high cost and conflict with claims filing deadline.
- Enactment of legislation by Iraqi TNA extending by one year the June 30 claims filing deadline to allow for a more complete out-of-country claims program, and more time for incountry claims to be filed
- Conduct additional training, by IOM for the IPCC Compensation Committee and legal staff and arrange Working Group meetings for Appellate Division judges. Training was delayed because compensation guidelines were not implemented during previous quarter.
- Begin operations of the IPCC claims database. The IPCC will bring extra staff to Baghdad to clear up the 45,000-claim backlog of cases awaiting data entry.
- Develop case precedents based analysis of case data in database.
- Begin use of the Compensation Guidelines to process contested cases and make cash compensation awards.

Governance

Project Code: 06700

| | | FY | 2005 b | y Qua | rter | | | |
|--------------|---------|-----------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| January 2005 | - | 40 | - | - | - | 40 | 30 | _ |
| Change from | | | | | | | | |
| January | _ | 1 | - | ı | - | - | +7 | +5 |
| April 2005 | _ | 40 | - | - | - | 40 | 37 | 5 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Changes from the April Report: This report maintains the \$40 million allocation.

Accomplishments since the April Report:

• NDI/IRI activities are being reported under Democracy Building Activities (P/C/06000)

Accomplishments anticipated in the next quarter:

 All funds have been allocated. Under the Democracy Building Activities, Project Code 06000, USAID expects to continue to support similar activities as they relate to the upcoming election and constitution drafting process.

Banking System Modernization

Project Code: 08000

| | | FY | 2005 b | y Quar | rter | | | |
|---------------------|---------|---|--------|--------|------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st 2 nd 3 rd 4 th | | | | Total | Obligated | Outlayed |
| January 2005 | 30 | - | - | - | - | 30 | 21 | 13 |
| Change from January | - | - | - | - | - | - | +1 | +3 |
| April 2005 | 30 | - | - | - | - | 30 | 22 | 15 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: Departments of Defense and the Treasury.

Changes from the April Report: This report maintains the \$29.1 million allocation for banking system modernization (Treasury) and \$900,000 for cash payment operations (Defense).

Accomplishments since the April Report:

- Completed assessing the capabilities and availability of Baghdad communications systems as they relate to the RTGS and ACH installations. Concluded that connection to the wireless broadband (WBB) system being developed under a World Bank funded project offers the best match to the TRGS and ACH implementation schedule. The assessment report has been shared with officials at the Central Bank of Iraq (CBI).
- Circulated Initial Report on the RTGS and ACH for interagency comments and confirmed the revised schedule with the CBI.
- Established a Payment System Department in the CBI; commenced staffing.
- Established a Participants Coordination Committee to advise CBI on development and implementation of the Iraq Payment System (IPS).
- User documentation and training materials are on schedule for completion in time for Participant training on the RTGS and ACH systems. The introductory session originally targeted to begin at the end of May was delayed by CBI and rescheduled for July 5.
- Estimated costs to meet CBI requests for additional IPS capabilities now exceed the resources available. Scaled back versions of the automated check processing and collateral securities management proposals have been requested.

Accomplishments anticipated next quarter:

• Select a strategy for communication between Central Bank of Iraq and headquarters for commercial banks. Define requirements, costs and contracting mechanism for implementing RTGS and ACH connectivity.

- Prepare second drafts of regulations necessary to implement IPS.
- Meet with Participants in Amman to explain operation of IPS and steps needed for participants to prepare for payment system.
- Meet with CBI team in Dubai to train them in operation of IPS and continue to prepare for testing and implementation of IPS.
- Continue procuring hardware of IPS and customizing software to implement requirements of the IPS.
- Evaluate and respond to CBI requests for an additional 3.5 months of contractor support of RTGS and ACH beyond the current contract requirements and additional training of CBI personnel on payment system fundamentals.

Human Rights

Project Code: 09500a

| | | FY | 2005 b | y Qua | rter | | | |
|-------------------|---------|-----------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | 15 | - | _ _ | - | - | 15 | 4 | 1 |
| Change from April | - | - | - | - | - | - | +4 | +1 |
| July 2005 | 15 | - | - | - | - | 15 | 8 | 2 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agencies: Department of Defense and State, and USAID.

Changes from the April Report: This report maintains the \$15 million allocation to address past atrocities of the regime and create a climate for the promotion of fundamental human rights and dignity in Iraq.

Accomplishments since the April Report:

- Worked to provide fast, flexible assistance to address past atrocities of the regime and create a climate for the promotion of fundamental rights and dignity in Iraq. USAID/OTI has expended the \$769,843 allocated to this line item.
- Provided equipment to the new Human Rights Ministry, and its sub-offices, particularly in the north of Iraq.
- Support civil society and human rights groups, in all regions of Iraq, who conducted various projects either promoting awareness of human rights principles or ensuring increased access to and protections in the legal system, particularly for underserved populations.

State/Democracy, Human Rights and Labor (DRL)

- Awarded a grant to support two cooperative human rights programs, one called "Educating
 for Democracy" which will create a group of trainers who will provide human rights
 education to Iraqis working in various government sectors and the evolving civil society
 community, and another program called "Testimonies of Political Violence" which will
 gather and analyze victims' narratives of past violations to provide a historical record
 regarding atrocities committed by the prior regime.
- Awarded a grant to assist 120 female victims of torture develop income-generation skills to avoid further impoverishment and exposure to potential abuse in the criminal justice system. This grant will also support the hiring of a physician, two attorneys and a social worker to assist incarcerated women and monitor jail conditions for women.
- Issued the second Iraq Human Rights RFP with the intent of obligating the remaining balance of DRL Human Rights funds.
- Awarded a grant to build upon and support previous DRL efforts to address the issue of missing and disappeared persons, and exhumations.
- Awarded a transfer of funds to promote a Rule of Law project that will assist the implementation of programs that support the drafting of a constitution that will improve and strengthen human rights laws in Iraq.

Accomplishments anticipated in next quarter:

USAID

• No additional accomplishments anticipated. Under the Democracy Building Activities, Project Code 06000, USAID/OTI expects to continue to support the promotion of human rights and assist Iraqi human rights organizations, government and otherwise.

State/Democracy, Human Rights and Labor (DRL)

Through the continued awarding of grants to NGOs under the most recent Iraq Request for Proposals (RFP), DRL's accomplishments anticipated in the next quarter include but are not limited to:

- The continued strengthening of civil society through the funding of programs that support initiatives that work to building of Iraq's nascent civil society,
- Support to the Development of a National Strategy on Options for Transitional Justice. DRL will continue to support transitional justice projects that are consistent with the Iraqi people's wishes and comply with Iraq's constitution under international law.
- Support and Assist with Constitutional and Political Development, including Rule of Law programs. DRL will continue to support initiatives that work to facilitate the involvement of democratic civil society organizations in the drafting of Iraq's constitution and in Iraq's overall political development.

• Support the establishment of an independent national institution for the promotion and protection of human rights, including the establishment of an Iraqi National Human Rights Commission.

Education

Project Code: 06300

| | | FY 2005 by Quarter | | | | | | |
|-------------------|---------|--------------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | 89 | 10 | - | - | - | 99 | 85 | 23 |
| Change from April | - | - | - | - | - | - | +2 | +7 |
| July 2005 | 89 | 10 | - | - | | 99 | 87 | 30 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Responsible U.S. Government Agency: USAID and Department of Defense/PCO.

Changes from the April Report: This report maintains the \$99 million allocation for education.

USAID's education program works closely with the Ministry of Education (MoEd) and local Directorates of Education throughout Iraq to build their capacity to create and maintain a high quality education system. USAID's program increases the quality of Iraqi education by training teachers and administrators in interactive teaching methodologies, holding national symposia on curriculum reform, conducting exchanges and workshops for MoEd staff, and establishing an Educational Management Information System (EMIS) within the MoEd to improve the management of the education system. The program also increases students' access to schools. The centerpiece of USAID's education program is the establishment of 84 model schools, four in each governorate and 16 in Baghdad, to pilot child-centered teaching styles coupled with computer and science labs. Once established, the goal is for the MoEd to replicate these "centers of excellence" throughout Iraq to serve as the basis for the transformation of the Iraqi education system.

Accomplishments since the April Report:

- Trained over 90 facilitators for training of educational professionals and teachers in pedagogy and English. Delayed training of 700 additional facilitators from June to July at the request of the MoEd so that they could complete the school year; facilitators will be trained in math, science, and information and computer technology (ICT), pedagogy, and management.
- Rehabilitated 48 halls in teacher-training centers in eight governorates throughout Iraq. Furnished and equipped these teacher-training centers with desks, chairs, computers, projectors, air conditioners, and training supplies.
- Refurbished sanitary facilities in 21 schools, to date and 531 are in progress.

- Began procurement process for desks, chairs, computers, and science laboratory equipment for 84 model primary and secondary schools. The model schools will be completed in time for the 2005 – 2006 academic year.
- Awarded 37 grants to parent-teacher associations (PTAs) in Iraq's poorest communities to reconstruct schools. Reconstruction of the schools is in progress and will be completed by the start of the 2005 2006 academic year.
- Continued production of an early childhood educational television program. Completed production of three of thirteen themes which have been identified to help pre-school age children develop learning and comprehension skills.

PCO

• Continued efforts to foster communications with Ministry of Education and U.S. government agencies for creation of logistical plan for delivery of computers.

Accomplishments anticipated in the next quarter:

PCO

• Distribute computers via MoEd's logistical plans; computers are in storage.

- Establish 84 model schools ready to open for the 2005 2006 academic year by the end of the quarter. Model school teachers and administrators will have received comprehensive training in ICT, pedagogy, and specific subjects. All selected model schools will be rehabilitated to a common standard, and will have computer labs and new furniture installed. In addition, the 42 secondary model schools will be equipped with new science laboratories and libraries.
- Train more than 30,000 education professionals and teachers in new pedagogy for teaching English, math, science, information and computer technology, and management. The training of teachers will continue into the 2005 2006 academic year.
- Complete reconstruction of 37 schools in Iraq's poorest communities; 31 of the targeted schools were originally constructed of mud-brick and will require complete reconstruction and four additional mud-brick schools will be in progress.
- Refurbish the water and sanitation facilities in an additional 368 schools, to bring the total completed to 389; the facilities refurbishment process will be ongoing in at least 163 schools. The end of the program will refurbish water and sanitation facilities refurbished in approximately 800 schools.
- Launch an accelerated learning program in late September for up to 10,000 out-of-school youth in Iraq's ten governorates with the lowest enrollment rates. The accelerated learning program is a non-formal education program endorsed by the MoEd, which condenses a two-

year primary school curriculum into one. In three years, children are able to complete the six-year primary school curriculum. At the request of the MoEd, the total number of children enrolled in this program has been reduced from 50,000 to 10,000, to ensure successful implementation.

Civic Programs Project Code: 06600

| | | FY 2005 by Quarter | | | | | | |
|-------------------|---------|--------------------|-----------------|-----------------|-----------------|-------|-----------|----------|
| 2207 Report | FY 2004 | 1 st | 2 nd | 3 rd | 4 th | Total | Obligated | Outlayed |
| April 2005 | 10 | 1 | - | - | - | 10 | 10 | 8 |
| Change from April | - | 1 | - | - | - | _ | - | +2 |
| July 2005 | 10 | - | ı | - | - | 10 | 10 | 10 |

NOTE: Obligation and Outlay Data is current as of June 28, 2005.

Changes from the April report: This report maintains the \$10 million allocation to promote the involvement of women and youth in the reconstruction of Iraq, coupled with civic education and democratization activities for the entire Iraqi population. The entire \$10 million has been obligated and dispersed.

Accomplishments since the April Report:

• Continue to disburse funds that support civic education and women's and youth programs by USAID/OTI.

Accomplishments anticipated in next quarter:

 Additional accomplishments are not anticipated. Under the Democracy Building Activities, Project Code 06000, USAID/OTI expects to continue to support similar activities assisting women and youth and promoting civic education.